



BATHURST
RESOURCES LTD

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30 July 2010

Centralised Company Announcements Platform
Australian Stock Exchange
10th floor, 20 Bond Street
Sydney NSW 2000

QUARTERLY ACTIVITIES AND CASHFLOW REPORT 30 JUNE 2010

Please find attached the Quarterly Activities and Appendix 5B Quarterly cashflow reports for the quarter ended June 30, 2010.

Yours faithfully

Hamish Bohannan
Managing Director



ASX Release

30 July 2010

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Directors/Officers:

Craig Munro – Non-executive Chairman
Hamish Bohannan – Managing Director
Gerry Cooper – Executive Director

Graham Anderson – Company Secretary

Issued Capital:

224,924,333 Ordinary Shares
6,966,667 Listed Options
18,900,000 Unlisted Options

ASX Codes:

BTU
BTUO

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 JUNE 2010

1. Highlights

- ❖ Bathurst signs Share Purchase Agreement for Buller Coal Project.
- ❖ High quality coking coal province
- ❖ JORC Resource of 42.2 million tonnes with exploration potential of 60 to 90 million tonnes of coking and thermal coal
- ❖ Definitive Feasibility Study ("DFS") well advanced for open cast operation with target production by December quarter, 2011
- ❖ Completion of \$16.2 million placement

2. Overview

The Board of Bathurst Resources Ltd ("Bathurst") is pleased to present its quarterly activities report for the quarter ended 30 June 2010.

The focus for the quarter was the completion of the Share Purchase Agreement with L&M Holdings Ltd for the acquisition of the Buller Project. After a successful capital raising in June of \$16.25 million, the US\$5 million deposit for the project was paid.

The DFS is well advanced with preliminary results expected in the September quarter.

Subsequent to the end of the quarter, Bathurst announced a significant increase in JORC resources for the project of 42.2 million tonnes, which should underpin a mine life in excess of 20 years.

Mining approval was received for the Escarpment area of the Project, which is the first area that will be developed under the current mine schedule.

Bathurst intends to spend the majority of September Qtr 2010 on the following:

- Completion of the DFS followed by an independent technical review of such;
- Ongoing negotiations with potential offtake parties and project financiers;
- Seeking the relevant environmental approvals for mining the Buller project.

3. Buller Coalfield

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.

Solid Energy's Stockton open cut mining operation is also located at Buller. The state-owned mine produces about 2 million tonnes per annum of high-value coal. Most of the coal mined at Stockton is exported for use in steel mills in India, China, Japan, South Africa and Brazil.

The Buller Project is expected to produce similar high quality coal from the same seams mined by Solid Energy at Stockton.

4. Project Acquisition

During the current quarter Bathurst and L&M Coal Holdings Limited signed a Share Purchase Agreement ("SPA") whereby Bathurst will acquire 100% of the issued capital of L&M Coal Ltd, which in turn owns the Buller Coal Project.

In June, Bathurst paid L&M Coal Holdings Ltd a US\$5 million deposit which was due under the SPA. Settlement of the acquisition requires a further US\$35 million payment which is expected to be made in early November, 2010. Two additional performance payments of US\$40 million are due on the first 25,000 tonnes of coal being shipped and then upon the first 1 million tonnes being shipped from the project, respectively.

Bathurst has also agreed to enter into a royalty deed with L&M whereby Bathurst has agreed to pay a long term royalty to L&M of 1.75% of the Gross Sales Revenue.

A summary of the terms of the SPA were contained in the ASX announcement of 10 June, 2010.

5. Project Activities

5.1 DFS

During the June Quarter Bathurst progressed the DFS for the Buller Project. Bathurst's target is to develop a 1 mtpa coal mine producing predominantly high quality coking coal to be in production in late 2011, expanding to 2 mtpa as successive areas in the Denniston area are brought into production.

Bathurst appointed Marston International as its DFS study managers. Marston International is a subsidiary of leading mining consultants Marston & Marston who are headquartered in St Louis, Missouri, USA.

The DFS is expected to be completed in September Qtr 2010, whereupon Bathurst intend to appoint an independent technical group to undertake a peer review of the DFS. The independent review will be completed early in December Qtr 2010.

5.2 Drilling Program

Subsequent to the end of the June quarter Bathurst announced a significant upgrade to the JORC compliant resource of 42.2 million tonnes of coal for the Buller Project.

Bathurst's exploration program for the Buller Project is focused on establishing sufficient resources to support a greater than 20 year operational mine life from the southern section of its Buller Project permits, the Denniston area, and on upgrading the exploration targets to JORC compliant standards.

The drilling initially focused on the Escarpment; the area targeted for first coal production in the Denniston Sector. The Escarpment resource of 7.3 million tonnes of coal, announced in May, is the foundation of the now well advanced DFS. The drilling program has since moved on to Deep Creek.

The second element of the exploration program, to establish a JORC compliant resource within the primary development and exploration targets, has just been completed with 42.2 million tonnes now identified from five of the company's seven target zones.

Status	Prospect	Mt	Total (Mt)
Measured	Escarpment	3.8	3.8
Indicated	Escarpment	1.6	
	North Buller	4.8	
	Blackburn	10.8	
	Millerton North	4.3	21.5
Inferred	Escarpment	1.9	
	North Buller	9.0	
	Deep Creek	6.0	16.9
			42.2

The information in this Section 5.2 that relates to exploration results and mineral resources is based on information compiled by Dr James Pope, of CRL Energy of Christchurch New Zealand who is a consultant to the company through CRL Energy and is a member of the Australasian Institute of Mining and Metallurgy. Dr Pope has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Pope consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears.

5.3 Mining Approvals - Escarpment

As announced on 28 June 2010, Bathurst advised that L&M Coal Ltd had received approval for mining to proceed at the Escarpment area of the Project. The mining permit, which relates specifically to the Escarpment, is granted for a term of 12 years and requires mining to commence within five years.

The next key steps in developing the Project are obtaining relevant environmental approvals and completion of the DFS.

5.4 Other

During the June 2010 Quarter Bathurst continued its discussions with potential providers of:

- Labour and equipment for the proposed mine;
- Power; and
- Rail and port infrastructure.

Bathurst also continued discussions with various New Zealand Government departments, potential financiers and offtake parties for the project.

Whilst all these discussions are ongoing, Bathurst is encouraged by the progress that has been made to date.

6. Corporate

6.1 Capital Raising

During the June Quarter, the Company completed a placement of 125 million shares at \$0.13 per share raising A\$16.25 million (pre expenses) to provide ongoing working capital as well as to support the project acquisition.

The placement, which was oversubscribed, was keenly sought by both professional and sophisticated investors in Australia, Asia and Europe. Helmsec Global Capital Limited acted as Lead Manager for the Placement. The shares were issued in accordance with shareholder approval of 23 April 2010.

Following completion of the Placement, Bathurst was pleased to be able to advise that Regent Pacific Group Limited ("Regent Pacific"), a Hong Kong Stock Exchange listed company, will become a 19.8% shareholder in Bathurst. Regent Pacific is a diversified mining group focused on the Asian Pacific region. Amongst its investments in Australia are its approximate 16% shareholding in BC Iron Limited and 13% shareholding in Venturex Resources Limited.

The capital raised from the Placement was used in part for paying the US\$5 million deposit on the Buller Coal Project and will also provide funds for completion of the Definitive Feasibility Study and ongoing working capital.

6.2 Strengthen Board & Management Team

Bathurst is currently seeking to add skills and experience relevant to the Buller Project by the appointment of suitably qualified independent non-executive Directors. The Company's aim is to have a majority of non-executive Directors on the Board within the next 6 months.

The Company also recently announced a number of senior appointments, strengthening its executive team, as the company moves into the development phase of its Buller Project.

Tim Manners has been appointed to the role of Chief Financial Officer, and brings to the company over 17 years of commercial experience in senior financial positions within the resources industry.

The company has also appointed an Executive General Manager - Planning and Technical Services and a Project Manager at Buller.

Statement of Exploration Potential

The estimate of exploration potential was calculated using the results from historical and recent drilling undertaken by L&M Coal. The potential quantity and grade is conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in determination of a mineral resource.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Bathurst Resources Ltd

ABN

125 679 469

Quarter ended ("current quarter")

30 June 2010

Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (12 months) \$A'000
Cash flows related to operating activities			
1.1	Receipts from product sales and related debtors	-	3,771
1.2	Payments for (a) exploration and evaluation	(1,515)	(1,990)
	(b) development	-	-
	(c) production	-	(4,592)
	(d) administration	(592)	(1,500)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	16	21
1.5	Interest and other costs of finance paid	-	(46)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	(6)
Net Operating Cash Flows		(2,091)	(4,342)
Cash flows related to investing activities			
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	(25)	(199)
1.9	Proceeds from sale of: (a)prospects		
	(b)equity investments		
	(c)other fixed assets		
1.10	Loans to other entities		
1.11	Loans repaid by other entities		
1.12	Other - Cash Acquired upon Acquisition		
	- Bonds deposited	(15)	(32)
	- Payments for acquisition of subsidiary	(5,762)	(5,762)
Net investing cash flows		(5,802)	(5,993)
1.13	Total operating and investing cash flows (carried forward)	(7,894)	(10,336)

	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	16,250	19,563
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(5)	(321)
1.18	Dividends paid		
1.19	Other - Capital Raising Costs	(904)	(1,031)
Net financing cash flows		15,341	18,211
Net increase (decrease) in cash held		7,447	7,875
1.20	Cash at beginning of quarter/year to date	844	243
1.21	Exchange rate adjustments to item 1.20	(15)	158
1.22	Cash at end of quarter	8,276	8,276

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	325
1.24	Aggregate amount of loans to the parties included in item 1.10	Nil

1.25 Explanation necessary for an understanding of the transactions

The amount above includes payments to Directors and their associated companies.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

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Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	-	-
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	800
4.2 Development	-
4.3 Production	-
4.4 Administration	500
Total	1,300

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	2,276	844
5.2 Deposits at call	6,000	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	8,276	844

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed			
6.2	Interests in mining tenements acquired or increased			

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference + securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	224,924,333	224,924,333		
7.4 Changes during quarter Increases (a) Options exercised Private placement (b) Decreases through returns of capital, buy-backs, cancellation	125,000,000		\$0.13	\$0.13
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	12,716,667	6,966,667	<i>Exercise price</i> 25 cents	<i>Exercise date</i> 31/12/10
	250,000		35 cents	31/10/11
	3,900,000		42 cents	Various
	4,000,000		10 cents	30/06/12
	5,000,000		15.5 cents	16/06/13
7.8 Issued during quarter	5,000,000		15.5 cents	16/06/13
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Appendix 5B

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:



Date: 30 July 2010
(Company secretary)

Print name: Graham Anderson

Notes

- 1 The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.