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31 July 2009

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

QUARTERLY ACTIVITIES AND CASHFLOW REPORT 30 JUNE 2009

Please find attached the Quarterly Activities and Appendix 5B Quarterly cashflow reports for the quarter ended June 30, 2009.

Yours faithfully

Hamish Bohannan
Managing Director



ASX Release

31 July 2009

BATHURST RESOURCES LTD

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Directors/Officers:

Richard Monti – Non-executive Chairman
Hamish Bohannan – Managing Director
Billy Shelton – Executive Director
Charles Griffith – Non-executive Director

Joshua Ward – Company Secretary

Issued Capital:

92,495,834 Ordinary Shares
6,966,667 Listed Options
13,900,000 Unlisted Options

ASX Codes:

BTU
BTUO

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 30 JUNE 2009

Highlights

- ❖ Coal production of 55,376 tons for the quarter
- ❖ All production for quarter from Mill Creek mine
- ❖ Feds Creek and Tarkiln remain on care and maintenance

Overview

The Board of Bathurst Resources Ltd ("Bathurst") is pleased to present its quarterly activities report for the quarter ended 30 June 2009.

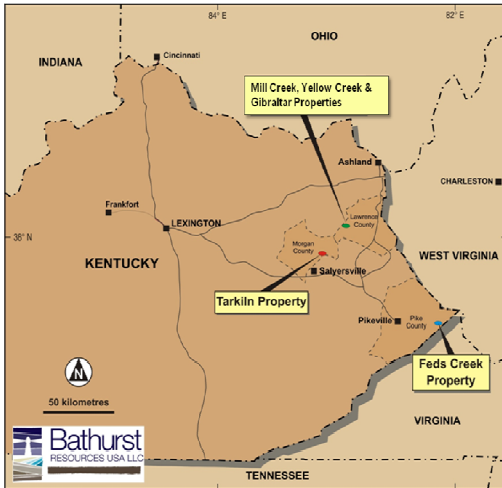
Last quarter, the Company instigated a series of steps to reduce its operating costs and preserve its mining resources during the current poor coal market. This quarter did not see any recovery in coal prices with prices remaining flat across the quarter. Tight cost control and careful scheduling kept operating costs low, although a week's production was lost in June adversely affecting that month's performance.

All production for the quarter was from the Mill Creek operations though preparations are being made to start the Yellow Creek mine which is similarly located close to the sales wharves.

The Company is actively evaluating opportunities to acquire further coal resources and exploration potential.

During June and July, the Company raised A\$1.7m through a placement of shares and an SPP to provide ongoing working capital as well as to support ground acquisition.

The Company also took the opportunity to restructure some of its debt position converting director's loans and outstanding acquisition costs to equity.



USA Coal Asset Project Locations



Loading Coal at Mill Creek

Operating Summary

Set out below are C&R Holding's unaudited US Operating results for the quarter ended 30 June 2009:

Tons Mined		
	Total Q4	Total Q3
Tarkiln	0	33,263
Feds Creek	0	2,465
Mill Creek	55,376	12,195
Tons Mined	55,376	47,923
Total tons sold	55,194	56,536

US Operating Cashflows		
	US\$'000	US\$'000
Operating Expenses	-\$2,874	-\$2,239
Operating Revenue	\$2,443	\$3,058
Operating Cashflow	-\$432	\$819

Unit Values		
	US\$/ton	US\$/ton
Cash Operating Cost per Ton	-\$51.91	-\$46.72
Avg Price per Ton	\$44.26	\$54.09

* All figures in US\$ and short tons

At the end of last quarter, the Company had an outstanding receivable from one coal merchant amounting to USD\$474,413. The Company has recognized upon advice that these monies are unlikely to be recovered, although it is still proceeding with legal action. These monies have been written off in this quarter.



Coal loading



Coal weighing and sampling at Big Sandy coal wharf

USA Coal Projects

Mill Creek

Production from Mill Creek has been maintained at about 20,000 tons per month. Due to the low production rate and the resulting small amount of exposed highwall, auger production was limited and almost all production was from open cut mining.

Production in June suffered due the suspension of the blasting contractor's operations for a period of ten days, although this was largely made up by the end of the month and did not affect contract obligations.

Operating conditions improved during the quarter with improved weather conditions although the beginning of the quarter continued to be unusually wet with localized flooding.

Mill Creek will continue to be the main production source for the immediate future.

Tarkiln and Feds Creek

Both Tarkiln and Feds Creek were kept on care and maintenance through the quarter with some environmental and remedial work undertaken, so as to expedite the release of bonds.

Both mines have permitted areas ready for production and can be restarted at short notice should market conditions improve.

Yellow Creek

Yellow Creek is situated in Lawrence County and is slightly closer to the sales wharves than Mill Creek. Following conclusion of the necessary agreements with stakeholders, preparations are being made to start mining Yellow Creek as the next production site.

Yellow Creek should have a slightly better cost profile than Mill Creek due to lower haulage costs and will subsequently become the Company's primary source of coal production.

Having both Mill Creek and Yellow Creek mines operating should reduce the Company's exposure to operational glitches such as the recent issue with the blasting contractor at Mill Creek.



Coal sampling at wharf



Coal trucks leaving site

Other Production Opportunities

During the quarter, two separate agreements were reached the first substantially adding to the ground position at Yellow Creek and the second acquiring ground between the Company's Mill Creek and Gibraltar sites.

The Yellow Creek agreement provides exciting exploration potential on ground adjacent to the existing leases reinforcing the potential for Yellow Creek to be the Company's prime operation.

The joining of the leases between Mill Creek and Gibraltar should provide not only operating improvements with both access and haul roads, but should also improve coal recovery where coal would have been left against lease boundaries.

The Company is actively evaluating further opportunities to increase its resource base.

Cost Management

In addition to the steps already taken operationally to reduce costs and improve margins, the Company has successfully renegotiated its equipment leases and rentals which has resulted in monthly cost savings.

The acquisition of a drill rig rather than using a contractor has also provided good cost savings of about US\$3 per ton at the Mill Creek operations. As a result a second rig is being sourced for use at Yellow Creek.

Marketing

Bathurst is continuing to sell coal into the spot market on a monthly basis. To date, all production has been fully sold. Coal prices were fairly flat through the quarter and appeared to bottom in May with a slight improvement to prices for better quality coal in June and July with a further slight improvement in prices negotiated for August.

Corporate

During June and July, the Company raised A\$1.7m through a placement of shares and an SPP to provide ongoing working capital as well as to support ground acquisition.

The Company also took the opportunity to restructure some of its debt position converting director's loans and outstanding acquisition costs to equity.

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 2009

Consolidated statement of cash flows

Cash flows related to operating activities

1.1	Receipts from product sales and related debtors	
1.2	Payments for	(a) exploration and evaluation
		(b) development
		(c) production
		(d) administration
1.3	Dividends received	
1.4	Interest and other items of a similar nature received	
1.5	Interest and other costs of finance paid	
1.6	Income taxes paid	
1.7	Other (provide details if material)	

	Current quarter \$A'000	Year to date (12 months) \$A'000
	3,248	21,090
	-	(2)
	-	-
	(3,107)	(19,444)
	(456)	(2,351)
	-	44
	(50)	(353)
Net Operating Cash Flows	(365)	(1,016)
Cash flows related to investing activities		
1.8	Payment for purchases of:	
	(a)prospects	
	(b)equity investments	
	(c) other fixed assets	(1,204)
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	525
	- Bonds deposited	(514)
	- Payments for acquisition of subsidiary	(2,243)
Net investing cash flows	(236)	(3,321)
1.13	Total operating and investing cash flows (carried forward)	(4,337)
	(601)	(4,337)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(601)	(4,337)
	Cash flows related to financing activities		
1.14	Proceeds from issues of shares, options, etc.	433	1,639
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings	121	936
1.17	Repayment of borrowings	-	(523)
1.18	Dividends paid		
1.19	Other - Capital Raising Costs	(26)	(69)
	- Factoring fees on coal sales	-	(80)
	Net financing cash flows	527	1,903
	Net increase (decrease) in cash held	(74)	(2,434)
1.20	Cash at beginning of quarter/year to date	52	2,297
1.21	Exchange rate adjustments to item 1.20	265	380
1.22	Cash at end of quarter	243	243

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	136
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, their associated companies and a company involved with John Hannaford and Richard Monti relating to the provision of consulting fees, company secretarial services, accounting and bookkeeping, and the provision office accommodation on commercial terms.

Non-cash financing and investing activities

2.1

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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		
- Unsecured loans from KES (a)	986	986
- Director loans	589	589
- Coal loan facility (b)	616	308
(a) On completion of the acquisition of C&R Holding, the Company assumed liability for a loan of US\$1,160,000 which is repayable at US\$20,000 per week.		
(b) US\$500,000 coal loan facility, repayable via delivery of coal in the remainder of the calendar year, of which US\$250,000 was drawn down at 30 June 2009.		
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
Total	-

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	243	52
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	243	52

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			

Appendix 5B
Mining exploration entity quarterly report

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	66,335,834	63,185,836		
7.4 Changes during quarter Increases (a) Options exercised Private placement Share purchase plan Issued on acquisition (b) Decreases through returns of capital, buy-backs	8,652,500	8,652,500	\$0.05	\$0.05
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>	12,716,667 250,000 3,900,000	6,966,667	<i>Exercise price</i> 25 cents 35 cents 42 cents	<i>Exercise date</i> 31/12/10 31/10/11 Various
7.8 Issued during quarter				
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>				

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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: 31 July 2009

(Company secretary)

Print name: Joshua Ward

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 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Cash Flow Statements* 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.

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