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Listed Company Relations
New Zealand Exchange Limited
Level 2, NZX Centre
11 Cable Street
Wellington, New Zealand

Company Announcements Platform
Australian Securities Exchange
10th Floor, 20 Bond Street
Sydney
NSW 2000

Bathurst Resources Knuckles Down to Preserve Value

Bathurst Resources Limited (NZX/ASX: BRL 'Bathurst') this morning implemented a proposal to cut costs and preserve value in its Buller Project as it still awaits final documentation approval for its Escarpment Mine in an export coking coal market that has deteriorated to its weakest position in about nine years.

Following the retirement of Craig Munro as Chairman and his succession by Dave Frow, the Board has elected not to replace the position and run with a smaller Board. The Board and Executive all agreed immediate reduction in remuneration of up to 30%.

The Company has announced a proposal to its staff to focus on its existing three operating mines which largely service the local dairy and cement industries and on establishing its new Escarpment Mine once its operating plans have been approved and the "Authority to Enter and Operate" issued by the regulatory authorities.

Resources Consents for the Escarpment Mine were issued on 24 October 2013, following which the Councils, Iwi and Department of Conservation commenced their review of the Bathurst Operating Plans for Escarpment. This process, whilst expected to be completed shortly, is still ongoing. Until the process is completed and the "Authority to Enter and Operate" is issued, Bathurst is not permitted to undertake activities on the lease.

Over the past month, the international price for coking coal has dropped from its 2012 high of over USD300 per tonne to a current spot of about USD120 per tonne.

Bathurst has consistently stated its expected operating costs at Escarpment to range from about US120/tonne on start-up, reducing to less than USD90 per tonne as production ramps up to about 1 million tonnes per annum.

Bathurst is committed to commencing establishment of the Escarpment Mine as soon as Authority is granted but will defer ramping up production until such time as the market is deemed to be recovering. For the next period, focus will be on securing the site, establishing facilities, including water management dams and stockpile areas, and mining sufficient coal to complete market qualification for coking coal supply to steel producers, principally in Japan and India.

“Sadly this means that about 29 jobs will become redundant, but it will ensure that the Company preserves cash to continue its operating and development activity.”

The key to these actions is to stabilise the company, move it into a cash positive situation, secure the Escarpment Mine and develop it to the point where we can move quickly into commercial production once the market improves.

Yours sincerely
Bathurst Resources Limited

A handwritten signature in black ink, appearing to read "Hamish Bohannon". The signature is written in a cursive, flowing style with some loops and flourishes.

Hamish Bohannon
Managing Director