



Suite 2, 35-37 Havelock Street, West Perth WA 6005  
PO Box 389, West Perth WA 6872  
Ph: +61 8 9322 2700  
Fax: +61 8 9322 7211  
Web: [www.bathurstresources.com.au](http://www.bathurstresources.com.au)

29 April 2010

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

#### **QUARTERLY ACTIVITIES AND CASHFLOW REPORT 31 MARCH 2010**

Please find attached the Quarterly Activities and Appendix 5B Quarterly cashflow reports for the quarter ended March 31, 2010.

Yours faithfully

Hamish Bohannon  
Managing Director



**Bathurst**  
RESOURCES LTD

ACN 125 679 469

## ASX Release

29 April 2010

### BATHURST RESOURCES LTD

Suite 2, 35-37 Havelock Street  
West Perth WA 6005  
Tel: +61 8 9322 2700  
Fax: +61 8 9322 7211

#### Contact:

#### HAMISH BOHANNAN

Managing Director  
[hbohannan@bathurstresources.com.au](mailto:hbohannan@bathurstresources.com.au)

#### GRAHAM ANDERSON

Company Secretary  
[graham@gdacorporate.com.au](mailto:graham@gdacorporate.com.au)

#### E-MAIL:

[info@bathurstresources.com.au](mailto:info@bathurstresources.com.au)

#### WEBSITE:

[www.bathurstresources.com.au](http://www.bathurstresources.com.au)

#### Directors/Officers:

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

Graham Anderson – Company Secretary

#### Issued Capital:

99,924,333 Ordinary Shares  
6,966,667 Listed Options  
17,900,000 Unlisted Options

#### ASX Codes:

BTU  
BTUO

## QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 31 MARCH 2010

### 1. Highlights

- ❖ Bathurst enters into JV with L&M Coal on Buller Coal Project, New Zealand
- ❖ High quality coking coal province
- ❖ Exploration potential of 50 to 90 million tonnes of coking and thermal coal.
- ❖ Definitive Feasibility Study (“DFS”) commenced for open cut operation with target production within 18-24 months
- ❖ Drilling program targeting JORC compliance for initial production resources underway

### 2. Overview

The Board of Bathurst Resources Ltd (“Bathurst”) is pleased to present its quarterly activities report for the quarter ended 31 March 2010.

The focus for the quarter was predominantly on project acquisition and evaluation. Following due diligence on its portfolio of US and NZ assets, the Company elected to focus solely on the highly prospective, high quality hard coking coal project in the Buller Coalfield in New Zealand.

Bathurst intends to spend the majority of 2Q 2010 undertaking due diligence on the Buller Project including:

- Conducting further drilling on the Buller tenements;
- Establishing a JORC compliant Resource Statement at the Escarpment;
- Advance the DFS on mining the Buller project;
- Finalise the Sale & Purchase Agreement with L&M Coal; and
- Seeking the various approvals for mining the Buller project.

## 3. Buller Coalfields

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, high fluidity coking coals.

Solid Energy's Stockton opencast 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 the same high quality coal from the same seams mined by Solid Energy at Stockton.

## 4. Project Acquisition

Bathurst and L&M Coal Holdings have signed an agreement whereby Bathurst will work in a joint venture with L&M Coal to develop the Buller Project as well as providing Bathurst the sole and exclusive right to execute a Sale and Purchase Agreement to acquire all of the shares in L&M Coal. The terms of this agreement are expected to be finalised shortly.

L&M Coal has established exploration potential in excess of 50 million tonnes of coking and thermal coals within two permits that cover over 10,000 hectares of the Buller Coalfield with significant further exploration potential remaining within the permits.

## 5. Project Activities

### 5.1 DFS

During the March 2010 Quarter Bathurst commenced a 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.

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 appointment of Marston follows the completion of the Bathurst's initial due diligence review undertaken on the Buller Project and is the next step towards the development of this project. The DFS is expected to be completed in 3Q 2010.

### 5.2 Drilling Program

During the Quarter, Bathurst advised the market of its estimates of an exploration potential for the Buller Project of 50 – 90 million tonnes. As part of the DFS, Bathurst is undertaking a two stage drilling program at Buller to:

- Upgrade historical drilling at the project to current JORC standards;
- Prove up a minimum 5 – 7 year mine life at the Escarpment; as well as
- Preparing the foundation for a minimum 20 year mining operation at the Buller project.

The first stage, which is currently in progress, focuses on the Escarpment, the area targeted for coal production for the first five to seven years of mine life. Approximately 7 holes totalling 427 metres of drilling are planned. The Escarpment already has some 60 drill holes in it.

The aim of the first stage drilling program is to provide geotechnical and coal quality parameters as well as allowing recalculation of resources and reserves to JORC compliant standards. The drilling program should be completed in mid May 2010. Bathurst expects to be able to announce a JORC compliant Resource Statement for the Escarpment in late May 2010.

The second phase of drilling will focus on exploration to the north of the Escarpment. The aim of this program is to confirm the results of historical drilling to allow a JORC compliant resource calculation. The program will both twin some of the existing approximately 300 holes in the Buller region to provide additional information on the coal quality as well as extend the drilled area. Bathurst believes that there is potential to increase the size of the target resource beyond the initial indications of 50 – 90 million tonnes.

The second phase of drilling should be completed by July 2010. Bathurst expects to be able to announce an updated JORC compliant Reserve and Resource for the Buller Project in August 2010.

### **5.3 Other**

Subsequent to the end of the March 2010 Quarter Bathurst has also commenced discussions with potential providers of:

- Labour and equipment for the proposed mine;
- Various New Zealand Government departments;
- Power; and
- Rail and port infrastructure.

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

## **6. Corporate**

During the March 2010 Quarter, the Company completed a placement of 12.5 million shares at \$0.08 per share raising A\$1.0 million to provide ongoing working capital as well as to support project acquisition.

Subsequent to the end of the Quarter, Bathurst held a General Meeting at which shareholders approved a resolution allowing the placement by the Company of up to 125 million shares on certain terms and conditions.

With the focus on the Buller Project in New Zealand, Chuck Griffith resigned from the Board of Bathurst. Chuck brought considerable value and insight to the Board with his knowledge and experience in Appalachian coal mining and we thank him for his service.

Bathurst is currently seek 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 by the end of 2Q 2010.

The information in this announcement that relates to exploration results, mineral resources or ore reserves is based on information compiled by Dr James Pope, of CRL Energy of Christchurch New Zealand, who is a consultant to the company 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 report of the matters based on his information in the form and context in which it appears.

# 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")

31 March 2010

### Consolidated statement of cash flows

		Current quarter \$A'000	Year to date (9 months) \$A'000
<b>Cash flows related to operating activities</b>			
1.1	Receipts from product sales and related debtors	-	3,771
1.2	Payments for (a) exploration and evaluation	(211)	(475)
	(b) development	-	-
	(c) production	-	(4,592)
	(d) administration	(205)	(908)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	1	5
1.5	Interest and other costs of finance paid	-	(46)
1.6	Income taxes paid		
1.7	Other (provide details if material)	-	(6)
<b>Net Operating Cash Flows</b>		(415)	(2,251)
<b>Cash flows related to investing activities</b>			
1.8	Payment for purchases of: (a)prospects		
	(b)equity investments		
	(c) other fixed assets	-	(174)
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	-	(17)
	- Payments for acquisition of subsidiary		
<b>Net investing cash flows</b>		-	(191)
1.13	Total operating and investing cash flows (carried forward)	(415)	(2,442)

1.13	Total operating and investing cash flows (brought forward)	(415)	(2,442)
	<b>Cash flows related to financing activities</b>		
1.14	Proceeds from issues of shares, options, etc.	1,000	3,313
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(20)	(316)
1.18	Dividends paid		
1.19	Other - Capital Raising Costs	(53)	(127)
	<b>Net financing cash flows</b>	927	2,870
	<b>Net increase (decrease) in cash held</b>	512	428
1.20	Cash at beginning of quarter/year to date	336	243
1.21	Exchange rate adjustments to item 1.20	(4)	173
1.2.1	Cash of C & R Holdings no longer controlled		
1.22	<b>Cash at end of quarter</b>	844	844

**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	87
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

--

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

--

## 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)	-	909
- Director loans	4	62
- Coal loan facility (b)	-	284
3.2 Credit standby arrangements	-	-

## Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	300
4.2 Development	-
4.3 Production	-
4.4 Administration	120
<b>Total</b>	<b>420</b>

## 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	844	336
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.22)	<b>844</b>	<b>336</b>

## 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 <b>Preference</b> + <b>securities</b> <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 <b>+Ordinary securities</b>	99,924,333	99,924,333		
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, cancellation	12,500,000		\$0.08	\$0.08
7.5 <b>+Convertible debt securities</b> <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 <b>Options</b> <i>(description and conversion factor)</i>	12,716,667 250,000 3,900,000 4,000,000	6,966,667	<i>Exercise price</i> 25 cents 35 cents 42 cents 10 cents	<i>Exercise date</i> 31/12/10 31/10/11 Various 30/06/12
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 <b>Debentures</b> <i>(totals only)</i>				
7.12 <b>Unsecured notes</b> <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: 29 April 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 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.