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27 April 2012

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QUARTERLY ACTIVITIES AND CASH FLOW REPORT 31 MARCH 2012

Please find attached the Quarterly Activities and Cash Flow reports for the quarter ended 31 March 2012.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Hamish Bohannon', is written over a faint, larger version of the same signature.

Hamish Bohannon
Managing Director

For further information contact

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ASX & NZX Release
27 April 2012

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Directors:

Craig Munro – Non Executive Chairman
Hamish Bohannan – Managing Director
Gerry Cooper – Executive
Rob Lord – Non Executive
Malcolm Macpherson – Non Executive

Issued Capital (at 31 March 2012):

693,447,997 Ordinary Shares
67,010,776 Unlisted Options

ASX & NZX Code:

BTU

Substantial Shareholders:

Mathews Capital (16.5%)
Bank of America (11.7%)
L1 Capital (9.7%)
JP Morgan (5.2%)

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 31 MARCH 2012

1. Highlights

- ❖ Total coal sales of 68,155 tonnes from Cascade and Takitimu.
- ❖ Significant milestones reached in logistics for the Buller Coal Project through the execution of a Deed of Ground Lease for Port Taranaki.
- ❖ Opening of the Wellington Office in New Zealand.
- ❖ Whareatea and Fairdown Residents Association withdraw appeal following successful mediation.
- ❖ Climate change declaration hearing held on 27 March 2012.

2. Overview

The Board of Bathurst Resources Ltd (**Bathurst**) is pleased to present its quarterly activities report for the quarter ended 31 March 2012.

Total coal sales of 68,155 tonnes were recorded in the March quarter, 12,224 tonnes from the Cascade mine and 55,931 tonnes from the Takitimu thermal operation in Nightcaps.

In January, the Company announced the execution of a Deed of Ground Lease with Port Taranaki. The agreement marks a significant milestone for the Buller Project, forming a key step in the logistics chain and further securing the route to market.

During the quarter, the Company's Wellington office was officially opened by New Zealand Prime Minister, Rt Hon John Key. The Wellington office will be the operational centre for Bathurst and demonstrates the Company's long term commitment to New Zealand.

The Whareatea and Fairdown Residents Association (**WFRA**) made an application to withdraw their appeal against the resource consents for the Escarpment mine following successful mediation.

In March, the Company attended a climate change declaration hearing in relation to the remaining appeals against the resource consents granted for the Escarpment Mine Project in August 2011.

Richard Tacon commenced as the Company's Chief Operating Officer assuming responsibility for the Company's existing coal mines and the development of coal projects on the Denniston Plateau.

3. Background - Buller Coalfield

The Buller Coalfield is situated on the west coast of the South Island of New Zealand (refer Figure 1 below). 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 in the Buller Coalfield. 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 will comprise two mining operations, either side of the Stockton Mine, North and South Buller. The operations are expected to produce similar high quality coal from the same seams mined by Solid Energy at Stockton.



Figure 1 – Project Location

4. Buller Project

The Company is pleased with the progress of the Buller Project during the March quarter which saw the following key developments:

- total coal sales of 12,224 tonnes from the Cascade mine in South Buller including the continued shipping of coal from Westport to Taranaki;
- execution of a Deed of Ground Lease with Port Taranaki to further secure the route to market;
- the application by the FWRA to withdraw their appeal against the resource consents for the Escarpment Mine Project; and
- attending a hearing for a climate change declaration relating to the appeals against the resource consents for the Escarpment Mine Project.

4. Buller Project (cont..)

4.1 Coal Production & Sales

South Buller - Cascade

Production & Sales for Cascade for the quarter ended 31 March 2012:

Production (Raw coal tn)	Overburden (bcm's)	Coal Sales (t)
20,125	432,174	12,224

The Cascade open cut is the first production block in the South Buller operation and is adjacent to the Escarpment and Coalbrookdale blocks. Cascade has historically produced approximately 45,000 tonnes per annum of high value low contaminant coal for the local industrial market. Following the acquisition of the Eastern Coal business in 2011, Bathurst has increased production at Cascade allowing export sales to commence in addition to fulfilling contracted commitments in New Zealand.

During the March quarter, the coal from the Cascade operations continued to be successfully trucked off the Dennison Plateau and shipped to the Port of Taranaki. Coal continues to be sold to the local industrial market.

4.2 Project Approvals - Escarpment

Before work can commence on the Escarpment Mine Project the Company needs an access arrangement and a concession agreement from the Department of Conservation (DOC) together with resource consents (environmental approvals) from the West Coast Regional Council and the Buller District Council.

The Company has made all required submissions to DOC in relation to the access arrangement and concession agreement and is awaiting a response from DOC.

The resource consents for the Escarpment Mine Project were granted to the Company in August 2011 by an independent panel of Commissioners representing the local councils. These resource consents were the subject of three appeals from West Coast Environmental Network Incorporated, WFRA and the Royal Forest and Bird Protection Society of New Zealand Incorporated.

During and subsequent to the end of the March quarter the Company completed the mediation process with WFRA, which began in Westport in the December quarter. The mediation has resulted in WFRA applying to withdraw their appeal against the resource consents. The Company issued a separate announcement on 27 April 2012 containing further details of the withdrawal and the results of the mediation process.

On 27 March 2012, the Company attended a hearing in relation to the appeals before the New Zealand Environment Court. The purpose of the hearing was to determine the validity of considering climate change as a factor in granting resource consents. The Company looks forward to receiving the Judge's decision and expects that it will be handed down in the next few weeks. Following the Judge's declaration, the Company anticipates that the Court will set a timetable for the remainder of the appeals. The Company has been preparing its evidence and expects to exchange it with other parties by the end of May 2012.

4. Buller Project (cont.)

4.3 Development of logistics

In January, the Company announced the execution of a Deed of Ground Lease with Port Taranaki. This agreement marks a significant milestone for the Company's Buller Coal Project, forming a key step in the logistics chain and further securing the route to market. The lease allows the Company access to a storage shed, adjacent to a deep water berth, to accept the incoming coal from the Port of Westport. The facility is large enough to allow for future expansion as the Company develops and enters new projects. The stockpiled coal is expected to be sold in the June quarter.

4.4 Development of Coalbrookdale

The Coalbrookdale project has all the required permits in place to commence development of a small underground operation. During the quarter, the Company continued to develop plans for the Coalbrookdale project and is in the process of finalising all necessary drilling and technical studies and plans to award an underground mining contract once feasibility studies are complete.

4.5 North Buller

During the quarter the Company continued to explore opportunities to further develop the North Buller Project. The draft results of an independent scoping study on North Buller are currently being reviewed by the Company.

Furthermore, the Company has employed a leading environmental landscape consultant to commence a study of the environmental values of the Buller region. The study will assess the known ecological, historical, recreational, cultural and social values of the area. This information will be mapped and the outcomes will feed into a planning process and assist the Company to develop a long term strategic plan for the region.

4.6 Exploration

The Company had three rigs operating during the quarter with a fourth rig in commissioning phase at the end of the quarter. The rigs were engaged in the Coalbrookdale area, the North Buller area of Coal Creek and the Cascade mining permit.

5. Eastern Coal

5.1 Production & Sales

Takitimu Coal Mine

Production and sales for Takitimu for the quarter ended 31 March 2012:

Production (Raw coal tn)	Overburden (bcm's)	Coal Sales (t)
38,883	335,579	55,931*

*Includes small quantities of purchased coal

The Takitimu mine is located in the Nightcaps area, north of Invercargill. Sub-bituminous coal from the open cut operations is railed to a number of customers in the Southland and Canterbury areas.

The final highwall cutback has been established in the existing Takitimu mine with the exhausted pit being progressively backfilled as coal winning continues. The existing infrastructure is being upgraded for the commencement of the Coaldale project which will ensure coal supply over the next five years.

5. Eastern Coal (cont.)

5.2 Exploration

Black Diamond (EP51260)

An exploration program commenced in the March quarter to identify the potential of the Black Diamond project. Black Diamond lies adjacent to the Coaldale block. The core samples are being sent to Westport for assaying and then modeling of the resource. The Company is awaiting the results of the program.

6. Corporate

6.1 Opening of Wellington Office

The Company's Wellington office was officially opened by New Zealand Prime Minister, Rt Hon John Key on 21 March 2012. The Wellington office demonstrates the Company's long term commitment to New Zealand and will be the main office for the Company's New Zealand operations. The Prime Minister acknowledged the Company's operations as an important economic activity in New Zealand. The Company also has project offices at Westport and Nightcaps in the South Island and a coal handling and distribution centre in Timaru.

6.2 Commencement of Richard Tacon as Chief Operating Officer

In March, Richard Tacon commenced as the Company's Chief Operating Officer. Mr Tacon is based in the Company's Wellington Office and is responsible for the Company's existing coal mines and the development of the high quality coking coal projects on the Denniston Plateau. The appointment has given the Company's Managing Director, Mr Hamish Bohannan, more time to develop and implement the Company's long term growth strategy.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001, 01/06/10.

Name of entity

Bathurst Resources Limited

ABN

93 125 679 469

Quarter ended ("current quarter")

31 March 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (9 months) \$A'000
1.1 Receipts from product sales and related debtors	10,061	25,019
1.2 Payments for		
(a) exploration & evaluation	(2,329)	(6,423)
(b) development	(504)	(3,281)
(c) production	(8,330)	(23,102)
(d) site administration	(1,126)	(3,262)
(e) corporate office	(1,346)	(4,182)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	889	2,992
1.5 Interest and other costs of finance paid	(34)	(151)
1.6 Income taxes paid	(44)	(1,025)
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(2,763)	(13,415)
Cash flows related to investing activities		
1.8 Payment for purchases of:		
(a) prospects	-	(7,567)
(b) equity investments (net of cash acquired)	-	-
(c) other fixed assets	(3,116)	(5,400)
1.9 Proceeds from sale of:		
(a) prospects	-	-
(b) equity investments	-	-
(c) other fixed assets	-	8
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other (Advance for CPP Engineering Design & Construction)	-	(3,169)
Net investing cash flows	(3,116)	(16,128)
1.13 Total operating and investing cash flows (carried forward)	(5,879)	(29,543)

+ See chapter 19 for defined terms.

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Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(5,879)	(29,543)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	479	1,988
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	(210)	(624)
1.18	Dividends paid	-	-
1.19	Other (Payment of Capital Raising Costs)	(8)	(51)
Net financing cash flows		261	1,313
Net increase (decrease) in cash held		(5,618)	(28,230)
1.20	Cash at beginning of quarter/year to date	64,698	87,419
1.21	Exchange rate adjustments to item 1.20	506	397
1.22	Cash at end of quarter	59,586	59,586

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	316
1.24	Aggregate amount of loans to the parties included in item 1.10	-

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	2,891	2,261
3.2 Credit standby arrangements	nil	nil

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	2,135
4.2 Development	3,222
4.3 Production	5,625
4.4 Administration	3,145
Total	14,127

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	17,492	18,021
5.2 Deposits at call	42,094	46,677
5.3 Bank overdraft	-	-
5.4 Other (Deposit on Trust)	-	-
Total: cash at end of quarter (item 1.22)	59,586	64,698

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		

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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.

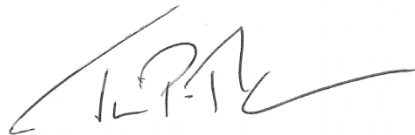
	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference ⁺securities	N/A			
7.2 Changes during quarter	N/A			
7.3 ⁺Ordinary securities	693,447,997	693,447,997		
7.4 Changes during quarter				
(a) Increases:				
- exercise of options	3,000,000	3,000,000	\$0.108	\$0.108
- exercise of options	1,000,000	1,000,000	\$0.155	\$0.155
(b) Decreases				
7.5 ⁺Convertible debt securities	N/A			
7.6 Changes during quarter	N/A			
7.7 Options (<i>description and conversion factor</i>)			<i>Exercise price</i>	<i>Expiry date</i>
	1,000,000		37.8 cents	Various
	666,667		15.5 cents	16 June 2013
	16,000,000		10.8 cents	30 Sept 2013
	1,000,000		21 cents	30 Sept 2013
	1,000,000		16.8 cents	30 Sept 2013
	14,644,109		36 cents	15 Nov 2013
	28,700,000		40 cents	31 Dec 2013
	2,000,000		85 cents	31 Dec 2013
	2,000,000		113 cents	31 Dec 2013
7.8 Issued during quarter				
7.9 Exercised during quarter	3,000,000		10.8 cents	30 Sept 2013
	1,000,000		15.5 cents	16 June 2013
7.10 Expired during quarter				
7.11 Debentures (<i>totals only</i>)				
7.12 Unsecured notes (<i>totals only</i>)				

- (1) The value assigned here was the value on the date of issue; these shares were issued as part of the acquisition of the Brookdale assets. No cash was received on the issue of these shares.

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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: 27 April 2012
(Company secretary)

Print name: Tim Manners

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.

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