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Significant Increase in Reserves at Buller Coal Project

Highlights:

- **Increase in total reserve of 76% to 23.8 mt of product coal**
- **Company wide resources increase 11% to 94.5 mt**
- **Maiden reserves for Cascade and Coalbrookdale**

Following an extensive drilling programme Bathurst Resources Limited (ASX & NZX: BTU) is pleased to announce an update on the resources and reserves for the Buller Coal Project and its Takitimu operation.

Drilling at Buller focused on not only improving confidence and the status and extent of resources but also on confirming coal potential across the Denniston Plateau as part of an evaluation programme to determine areas best suited for establishing an ecological reserve. This work has involved collating and analysing data on geology, flora, fauna, historical sites, landscape, water domains and social activities. This work is ongoing and will be reported on once it has reached a significant conclusion.

The reassessment of resources and reserves was based on a multi-variate approach to resources classification. Geo-statistical analysis and practical observation of coal seam thickness and quality variations have shown that the Australian guidelines associated with spacing of observation points is of limited use in the Buller coalfield to classify resources. This methodology, adopted by Bathurst, allows a detailed classification, with an auditable and reproducible process, in areas where there are higher levels of uncertainty associated with structural deformation, seam geometry and increased levels of historic underground workings.

Since October 2011, a drilling programme of 154 holes was conducted across the North and South Buller permits. In the South Buller area the reserves have increased 76% to a total of 23.8mt. This increase was largely from an additional 9.6mt in reserves identified across Whareatea West, Coalbrookdale and Cascade.

The reportable reserves identified at Whareatea West have increased from 2.9mt to 10.3mt and maiden reserves have been announced for Cascade and Coalbrookdale of 0.6mt and 1.6mt respectively. The reserve for Escarpment has increased to 3.8mt (of product coal), up from 3.1mt as previously reported.

Changes to classification of resource status following exploration, geological reinterpretation and remodeling, as well as changes to permit holdings, has not only seen an overall increase in resources and reserves but also a substantial increase in the quality of information.

Commenting on today's announcement, Bathurst Managing Director Hamish Bohannon said:

"There has been a great deal of effort spent not just on expanding our reserve base but on improving our understanding of the technical aspects of the Buller geology and stratigraphy which has led to a much greater confidence in the resource base of our project."

"The drilling program for the current year will focus on proving up further reserves for South Buller and expanding our knowledge base of the North Buller permits."

Coal Resources and Reserves

Table 1 - Resources

Area	Measured Resource (Mt)	Indicated Resources (Mt)	Inferred Resources (Mt)	Total Resources (Mt)
South Buller				
Escarpment	2.8	2.1	0.9	5.8
Deep Creek	6.2	3.1	1.6	10.9
Whareatea West	5.0	12.4	8.1	25.5
Coalbrookdale	-	2.3	4.9	7.2
Cascade	0.5	0.3	0.7	1.5
Totals	14.5	20.2	16.2	50.9
North Buller				
Millerton North	-	1.9	3.6	5.5
North Buller	-	4.9	10.2	15.1
Blackburn	-	5.8	14.1	19.9
Totals	-	12.6	27.9	40.5
Buller Coal Project	14.5	32.8	44.1	91.4
Takitimu				
Coaldale	1.2	1.2	0.7	3.1
Grand Total	15.7	34.0	44.8	94.5

Note 1 Resources are inclusive of reserves

2 All resources and reserves quoted in this release are reported in terms as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' as published by the Joint Ore Reserves Committee of the Australasian Institute of Mining and Metallurgy, Australian Institute of Geoscientists and Minerals Council Of Australia ("JORC").

Table 2 - Reserves (All South Buller)**ROM Coal (Mt)**

	Proved	Probable	Total
Escarpment	2.7	1.9	4.6
Deep Creek	5.8	2.7	8.5
Whareatea West	5.0	10.6	15.6
Coalbrookdale	-	1.8	1.8
Cascade	0.4	0.2	0.6
Total	13.9	17.2	31.1

Product Coal (Mt)

	Proved	Probable	Total
Escarpment	2.2	1.6	3.8
Deep Creek	5.1	2.4	7.5
Whareatea West	3.6	6.7	10.3
Coalbrookdale	-	1.6	1.6
Cascade	0.4	0.2	0.6
Total	11.3	12.5	23.8

Table 3 - Reserves Quality – Product Coal (at 15% moisture)

The table below shows the typical coking coal quality for the reserve at South Buller.

Area	Ash %		CSN		Volatile Matter %		Sulphur %	
	Ave	Range	Ave	Range	Ave	Range	Ave	Range
Escarpment	8.2	2.1 – 11.4	8	6 – 9+	28.4	25.9 – 31.3	0.6	0.4 – 0.8
Deep Creek (coking)	5.0	4.9 – 5.2	>9	5 – 9++	37.0	18.0 – 38.0	2.5	2.0 – 3.1
Deep Creek (thermal)	11.8	6.4 – 16.5	n/a	n/a	n/a	n/a	1.7	0.9 – 2.0
Whareatea West	10.5	3.2 – 11.8	9	8 – 9++	29.7	23.9 – 31.7	0.8	0.8 – 0.9
Coalbrookdale	7.9	2.1 – 11.2	5.5	5 – 8	32.0	29.1 – 32.1	1.0	0.3 – 1.4
Cascade	2.0	0.3 – 2.1	4.5	2 – 5	34.9	31.3 – 34.9	1.5	0.3 – 1.9

Resources Quality

The Company is not aware of any information to indicate that they quality of the identified resources will fall outside the range of specifications for reserves as indicated in the above table.

Further resource and reserve information can be found on the company's website at www.bathurstresources.co.nz

Competent Person Statements

The information on this report that relates to mineral resources and reserves for Deep Creek is based on information compiled by Neil Fraser who is a full time employee of Golder Associates Pty Ltd and is a member of the Australasian Institute of Mining and Metallurgy. Mr Fraser 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'. Mr Fraser consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.

The information on this report that relates to mineral reserves for Escarpment, Cascade, Coalbrookdale and Whareatea West is based on information compiled by Ainsley Ferrier who is a full time employee of Buller Coal Limited and is a member of the Australasian Institute of Mining and Metallurgy. Ms Ferrier has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which she 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'. Ms Ferrier consents to the inclusion in this report of the matters based on her information in the form and context in which it appears above.

The information on this report that relates to exploration results and mineral resources for Millerton North, North Buller, Blackburn and Coaldale is based on information compiled by Hamish McLauchlan who is a full time employee of Buller Coal Limited and is a member of the Australasian Institute of Mining and Metallurgy. Mr McLauchlan 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'. Mr McLauchlan consents to the inclusion in this report of the matters based on his information in the form and context in which it appears above.

ENDS

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