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20 November 2012

Listed Company Relations
New Zealand Exchange Limited
Level 2, NZX Centre
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Company Announcements Platform
Australian Securities Exchange
10th Floor, 20 Bond Street
Sydney
NSW 2000

CHAIRMAN'S ADDRESS AT 2012 ANNUAL GENERAL MEETING

Bathurst Resources Limited (ASX & NZX: BTU) encloses a copy of the Chairman's Address made today at the Annual General Meeting of Shareholders in Sydney.

For and on behalf of Bathurst Resources Limited

A handwritten signature in black ink, appearing to read 'T Manners', written over a light grey circular background.

Tim Manners
CFO & Joint Company Secretary

ENDS

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Introduction

Good morning ladies and gentlemen.

As fellow investors and shareholders, I would like to express the Board's gratitude to your ongoing patience and confidence in Bathurst which has gone through a challenging year with regard to the various courts of appeals processes.

This is obviously very time consuming, costly and non productive from both the Company's and the majority of New Zealanders point of view but under current legislation necessary.

Despite this there has been positive progress in a number of areas.

Highlights

As many of you will know, at the beginning of the reporting period we applied for 24 resource consents (or planning permits) for our flagship Escarpment Mine Project.

Escarpment is located on the historic Denniston Plateau, which forms part of the Buller coalfield, near the town of Westport.

Escarpment has the potential to produce 1 million tonnes of high-quality coking coal a year.

In August 2011, a panel of independent commissioners approved our 24 resource consents for Escarpment.

However, three parties appealed that decision to the Environment Court.

- The first appeal related to the location of infrastructure.
- The second appeal related to climate change concerns.
- And the third appeal related to environmental concerns.

The first appeal was resolved through mediation and withdrawn.

Bathurst won the second appeal in the Environment Court which ruled that climate change effects were irrelevant.

This decision was affirmed by the High Court, but is now subject to an appeal to the Court of Appeal.

The third appeal is currently being heard by the Environment Court and we expect a decision early next year.

Although we are confident of a positive ruling, Hamish and his team are actively working to reach a settlement with the appellants.

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Buller Coal Project

As you know, Bathurst remains committed to the Buller Coal Project.

The Project is expected to provide 225 new jobs on New Zealand's West Coast and contribute up to NZ\$1 billion into the economy over six years.

Contrary to some recent press, this figure will not be in the form of profits or dividends but will almost entirely be spent on local suppliers and businesses, salaries and wages for New Zealand based employees, royalties and taxes paid to local and national governments and worlds best environmental and rehabilitation practices.

Furthermore, the profits that will no doubt be derived from the development of the Escarpment project will be re-invested into the development of our subsequent mines and infrastructure – again, the majority of which will be New Zealand domiciled.

It is only once we reach our target production profile and our borrowing facilities have been repaid, that dividends could potentially start to flow to our shareholders... shareholders that reside in over 35 countries around the world, including over 13% in New Zealand.

We are a company that is owned by a global spread of investors and one that has a sole focus on developing – in a sustainable manner – this scarce, valuable resource in New Zealand.

We are optimistic we will be in production by mid-2013.

In the coming year, we will be focussing not only on developing our Escarpment Mine Project but also our adjoining projects in South Buller.

Later, we will bring our North Buller tenements into operation.

As the full Buller Coal Project comes on line we are targeting an increase in production to approximately 4 million tonnes a year, by 2018.

Meanwhile, we are producing 150,000 tonnes a year from our Cascade mine in Buller for export and local cement production.

In anticipation of increased production from Buller, we have established coal facilities at the deep-water Port of Taranaki on the North Island.

And we are close to completing our Stage 1 port upgrade of coal handling facilities at the Port of Westport.

Eastern Coal

During the reporting period, we commenced production at our new Coaldale block at the Takitimu mine near Nightcaps.

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Production from the Cascade mine at Buller and the Takitimu mine at Nightcaps continues to generate good quality coal for both the domestic and international markets.

Responsible resource use

As a company, our focus is not just on growth, but also on responsible development.

During the year we established the independent *Kaitiaki Environmental Reference Group*, chaired by well known New Zealand environmentalist Guy Salmon.

Guy's job is to monitor our environmental performance and ensure that our programmes and systems comply with best practice.

More recently we were pleased to be invited to join New Zealand's Sustainable Business Council.

The Council promotes business leadership in sustainability.

It is focused on the balanced pursuit of economic growth, ecological integrity and social progress.

Government support

As many of you will know, New Zealand's Prime Minister officially opened our new operational offices in Wellington in March 2012.

We were particularly pleased by John Key's words of encouragement and support as well as the support of his fellow Cabinet Ministers.

This includes Energy and Resources Minister Phil Heatley and Economic Development Minister Steven Joyce.

Of particular concern to Ministers (and others) is the need to grow New Zealand's economy and jobs.

Political leaders both want and need us to succeed.

Key appointments

With our focus clearly on New Zealand, we are currently in the process of building up a strong Wellington based management team.

In March 2012, Bathurst was pleased to welcome on board our new Chief Operating Officer, Richard Tacon.

Richard has over 30 years' experience in both the New Zealand and Australian coal industries. Richard joined Bathurst from Centennial Coal where he was GM Western Operations.

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Originally from New Zealand, Richard has now returned to be based in our Wellington office.

We have also just appointed Simon Doig as Executive General Manager, Marketing and Business Development.

Simon previously held a similar position with Solid Energy New Zealand where he has worked for the last 12 years, so he is well credentialed to further build our export and domestic sales strategies, and identify and develop new business opportunities in New Zealand coal.

Financials

With A\$53.8 million of cash in the bank at 30th June 2012 and some earnings from small, existing coal operations, Bathurst is well-funded for the near term.

Total coal sales revenue reported for the year was \$16.5 million, derived from both the Buller Coal and Eastern Coal operations.

Our earnings showed a net loss for the group of \$21.5 million for the year to 30 June 2012.

This was due to the impairment of the Eastern assets, unrealised foreign exchange losses on the deferred consideration for the L&M acquisition, and normal development costs.

With our first full year of operations behind us we look forward to continued growth with a strong balance sheet to support our development and expansion activities.

In closing, I would like to acknowledge the efforts of my fellow directors, management and staff.

We would also like to extend our thanks to our shareholders.

We appreciate your continued support and patience in a year that has seen us having to focus on what seems like the never ending appeals process that allows minority groups to stifle development in New Zealand.

We remain committed however to our project development plan and to returning value to shareholders as we grow into a pre-eminent coal producer.

Thank you.

I would now like to turn to the formal part of the meeting.

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