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Bathurst Resources (New Zealand) Limited - Annual General Meeting 2013

Chairman's Address

Welcome to the first Annual General Meeting for our new company, now totally incorporated and based in New Zealand.

I'm delighted that we have finally received our positive Environment Court decision so we can start the process to get into production at our Escarpment project on the Denniston plateau.

It has been a year of jumping hurdles for Bathurst as we have worked tirelessly towards consenting our Escarpment project. Fortunately we've cleared every hurdle and we can now put that process behind us and concentrate on moving into production.

On behalf of the Board I would like to acknowledge the continued patience and support from our shareholders as we have worked our way through that process. Bathurst is also grateful for the active backing from our local communities and councils— particularly the West Coast community and its support for the Escarpment project with the creation of the new and independent group – Go West Coast. I would like to note our appreciation of their efforts and support for our project.

A focus for the company this year has been on diversifying risk by building a portfolio of assets to generate cashflow whilst we are in the development stage with our main project. Our domestic business continues to grow & should be cash positive in this financial year, providing a sound platform from which to develop our export coking coal operations.

We have also strengthened our cash position with an equity raising of approximately \$19 million from our recent placement and share purchase plan. Thanks again to those who supported these actions.

We have continued to build up our management team in the last 12 months. Marshall Maine has joined us as Chief Financial Officer and Joint Company Secretary, Jason Hungerford is our new Financial Controller, Alison Brown is now our General Counsel and Mike Cameron has come on board as General Manager - Buller Operations.

I'd also like to welcome our two new directors, Toko Kapea and Dave Frow – both New Zealanders and both well-credentialed to add value to the Bathurst Board.

The company's total workforce is now New Zealand based; between staff and contractors we now employ over 100 people in the South Island and in our head office in Wellington and we look forward to substantially increasing those numbers as Escarpment comes into production.

In terms of our financial position for the year, the total group revenue was \$41m compared with \$38m in 2012. The Group reported a net loss before tax of \$16m compared to a loss before tax of \$33m in 2012. The notable improvement here is the reversal of an impairment loss recorded in 2012 relating to the Eastern assets. The renegotiation of key supply contracts and continued organic growth has resulted in a more positive outlook for the domestic business. Consequently the impairments previously recorded were no longer considered appropriate.

At 30 June the Group held \$13.8m of cash and short term deposits. Whilst this is a significant reduction from cash reserves held in 2012, a considerable amount of cash has been spent on defending the appeals relating to our granted licences, asset purchases and mine development expenses.

With a positive outlook for the domestic business and impending development of the Escarpment project, we look forward to a period of significant growth in the coming year.

Due to the timing of the redomicile, the financial statements contained in the annual report only reflect the period from the date of incorporation of the NZ entity (March 27) through to 30 June. There are copies of the annual report on the table by the door.

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 remain committed to our project development plan and to returning value to shareholders on our path to becoming a leading New Zealand coal producer.