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Bathurst
RESOURCES LTD

ACN 125 679 469

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28 January 2010

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

QUARTERLY ACTIVITIES AND CASHFLOW REPORT 31 DECEMBER 2009

Please find attached the Quarterly Activities and Appendix 5B Quarterly cashflow reports for the quarter ended December 31, 2009.

Yours faithfully

Hamish Bohannan
Managing Director



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ASX Release

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Contact:

HAMISH BOHANNAN

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GRAHAM ANDERSON

Company Secretary
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E-MAIL:

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WEBSITE:

www.bathurstresources.com.au

Directors/Officers:

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

Graham Anderson – Company Secretary

Issued Capital:

87,424,334 Ordinary Shares
6,966,667 Listed Options
13,900,000 Unlisted Options

ASX Codes:

BTU
BTUO

QUARTERLY ACTIVITIES REPORT FOR THREE MONTHS ENDED 31 DECEMBER 2009

Highlights

- ❖ C&R acquisition and related shares cancelled in November
- ❖ Production from Tarkiln and Mill Creek mines
- ❖ Feds Creek remains on care and maintenance
- ❖ Average operating cost for period of US\$41 per ton
- ❖ Average price received for coal US\$42 per ton

Overview

The Board of Bathurst Resources Ltd (“Bathurst”) is pleased to present its quarterly activities report for the quarter ended 31 December 2009.

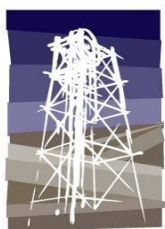
As announced, on 9 November 2009 a settlement agreement between Bathurst, C&R Holding of Eastern Kentucky LLC (“C&R”), and the original vendors of C&R was executed, effectively cancelling the acquisition of C&R which was first announced to ASX on 16 July 2008 and approved by shareholders at a general meeting held on 8 September 2008. The shares in Bathurst held by the vendors were transferred back to Bathurst and subsequently cancelled.

This settlement agreement was executed as a result of a dispute that arose in relation to substantial and fundamental matters relating to the original purchase agreements. The parties agreed to settle the dispute without admission of liability on any part or admission of any matter alleged as part of the Dispute

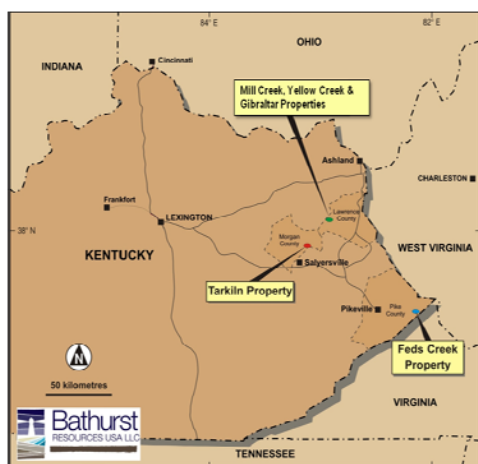
Subsequently the Company ceased being a producer of coal in November, but has continued to actively pursue opportunities to acquire further coal resources and exploration potential.

The Company has retained the Feds Creek assets and royalty rights over the other C&R leases.

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USA Coal Asset Project Locations



Loading Coal at Mill Creek

Operating Summary

Set out below are C&R Holding's unaudited US Operating results for the quarter ended 31 December 2009:

Tons Mined		
	Total Q2	Total Q1
Tarkiln	7,496	19,375
Feds Creek	0	0
Mill Creek	10,504	45,346
Total tons mined	18,000	64,721
Total tons sold	17,998	67,019
US Profit/Loss		
	US\$'000	US\$'000
Operating Expenses	-\$746	-\$3,533
Revenue	\$751	\$2,853
Operating profit	\$5	-\$679
Unit Values		
	US\$/ton	US\$/ton
Cost per Ton	-\$41.45	-\$54.58
Avg Price per Ton	\$41.74	\$42.58
* All figures in US\$ and short tons		

Production through October and into early November continued at the Mill Creek and Tarkiln mines. Whilst this allowed improved operating flexibility and reduced overall operating costs over the previous quarter, prices received remained flat and the operations barely broke even.

Feds Creek remained on care and maintenance, although discussions are taking place with the previous operators, Highwall Mining, to restart the mine.

Notwithstanding, there were no production issues during the quarter and the Company continued to be lost time injury free.

The Company is actively evaluating opportunities to acquire further coal resources and exploration potential and is in discussions on two potential acquisitions.



Coal loading



Coal weighing and sampling at Big Sandy coal wharf

Cost Management

Following the cancellation of the C&R acquisition, costs in the US have been reduced to less than \$5000 per month and executive management have continued to receive reduced salaries which were introduced in January 2009, following the collapse of US coal prices.

Corporate

At the start of the quarter, the Company completed a placement and SPP raising A\$2.253m to provide ongoing working capital as well as to support project acquisition.

With the cancellation of the C&R acquisition, Billy Shelton resigned from the Board and was replaced by Gerry Cooper.

At the beginning of December Craig Munro joined the Board as Chairman.

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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 December 2009

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from product sales and related debtors	825	3,771
1.2	Payments for (a) exploration and evaluation	(264)	(264)
	(b) development		-
	(c) production	(819)	(4,592)
	(d) administration	(133)	(703)
1.3	Dividends received		
1.4	Interest and other items of a similar nature received	2	4
1.5	Interest and other costs of finance paid	(1)	(46)
1.6	Income taxes paid		
1.7	Other (provide details if material)	(6)	(6)
	Net Operating Cash Flows	(396)	(1,836)
Cash flows related to investing activities			
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		
	Net investing cash flows	-	(191)
1.13	Total operating and investing cash flows (carried forward)	(396)	(2,027)

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(396)	(2,027)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	60	2,313
1.15	Proceeds from sale of forfeited shares		
1.16	Proceeds from borrowings		
1.17	Repayment of borrowings	(40)	(296)
1.18	Dividends paid		
1.19	Other - Capital Raising Costs - Factoring fees on coal sales	(26)	(74)
Net financing cash flows		(6)	1,943
Net increase (decrease) in cash held		(402)	(84)
1.20	Cash at beginning of quarter/year to date	954	243
1.21	Exchange rate adjustments to item 1.20	17	177
1.2.1	Cash of C & R Holdings no longer controlled	(233)	
1.22	Cash at end of quarter	336	336

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	66
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

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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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Appendix 5B
Mining exploration entity quarterly report

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	24	62
- Coal loan facility (b)	-	284
3.2 Credit standby arrangements	-	-

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	-
4.2 Development	-
4.3 Production	
4.4 Administration	
Total	300

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	336	954
5.2 Deposits at call	-	-
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	336	954

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 <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 +Ordinary securities	87,424,333	87,424,333		
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	1,200,000 58,900,001		\$0.05	\$0.05
7.5 +Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <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 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

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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: 28 January 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.