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

## SIGNIFICANT UPGRADE TO BULLER COAL RESOURCE

**Bathurst Resources Ltd (ASX:BTU) is pleased to announce an upgraded JORC compliant resource of 42.2 million tonnes of coal for the Buller Coal Project in New Zealand.**

Bathurst's exploration program for the Buller Project is focused on establishing sufficient resources to support a greater than 20 year operational mine life from the southern section of its Buller Project permits and on upgrading the exploration targets to JORC compliant standards.

The first stage initially focused on the Escarpment Project; the area targeted for first coal production in the Denniston Sector. The Escarpment resource of 7.3 million tonnes of coal, announced in May, is the foundation of a now well advanced Definitive Feasibility Study ("DFS").

The second stage of the exploration program, to establish a JORC compliant resource within the primary development and exploration targets, has just been completed with 42.2 million tonnes now identified from five of the company's seven target zones.

<i>Status</i>	<i>Prospect</i>	<i>Mt</i>	<i>Total (Mt)</i>
Measured	Escarpment	3.8	<b>3.8</b>
Indicated	Escarpment	1.6	
	North Buller	4.8	
	Blackburn	10.8	
	Millerton North	4.3	<b>21.5</b>
Inferred	Escarpment	1.9	
	North Buller	9.0	
	Deep Creek	6.0	<b>16.9</b>
			<b>42.2</b>

The information in the preceding paragraphs that relates to exploration results and mineral resources is based on information compiled by Dr James Pope, of CRL Energy of Christchurch New Zealand who is a consultant to the company through CRL Energy and is a member of the Australasian Institute of Mining and Metallurgy. Dr Pope 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'. Dr Pope consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears above.

Following completion at Escarpment, the drilling program has since continued on to Deep Creek, the second area targeted for possible production in the Denniston Sector. The 16 hole drilling program is expected to be completed this week after which the program will be halted for winter. The drilling will be followed by a period of interpretation and modelling which should lead to a JORC compliant resource being established within the next few months, further supplementing the 42.2 Mt JORC compliant Resource.

The results from the drilling program to date gives Bathurst confidence that a considerable number of tonnes in the upgraded JORC compliant Resources from the southern part of the Buller Project will be able to be converted into Reserves following completion of the DFS.

As advised on 28 June 2010, Bathurst has received a Mining Permit for the Escarpment mine.

Bathurst's Managing Director Hamish Bohannan said

*"As a result of this latest drilling program Bathurst can confirm that it has resources in excess of 40 million tonnes of high quality coking and thermal coals, which should underpin the first 20 years of production from the Buller Project."*

*"Bathurst's objective is to commence production at an annualised rate of 1 Mtpa from 4Q 2011, increasing to 2 Mtpa once further deposits are brought into operation."*

*"The additional resources established from the exploration program significantly improve the economics of mining the Buller Project both for our shareholders and the local community."*

*"The results also validate the earlier exploration undertaken by both NZ Coal Resources Survey and L&M in the region. They add to Bathurst's confidence on developing the mining operation."*

*"The DFS is well advanced and preliminary results should be available shortly."*

For and on behalf of Bathurst Resources Ltd



Hamish Bohannan  
Managing Director

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## BATHURST RESOURCES OVERVIEW

### Introduction

Bathurst Resources Limited is an ASX listed company focused on becoming a producer of high quality coking and thermal coal.

Bathurst has signed an agreement with L&M Coal Holdings to joint venture and ultimately acquire the Buller Project, a hard coking coal asset in the Buller Coalfield in NZ through the acquisition of 100% of L&M Coal Limited. L&M Coal Holdings will also acquire a 5% interest in Bathurst.

### Highlights

- Joint Venture to develop the high grade metallurgical coal resources in NZ,
- 100% acquisition of high quality metallurgical coal project in NZ,
- JORC Compliant resources of 42.2Mt within a total exploration potential of 60-90 million tonnes,
- Open cut development opportunity with production in 18-24 months, and
- Development in an area of established operations with infrastructure.

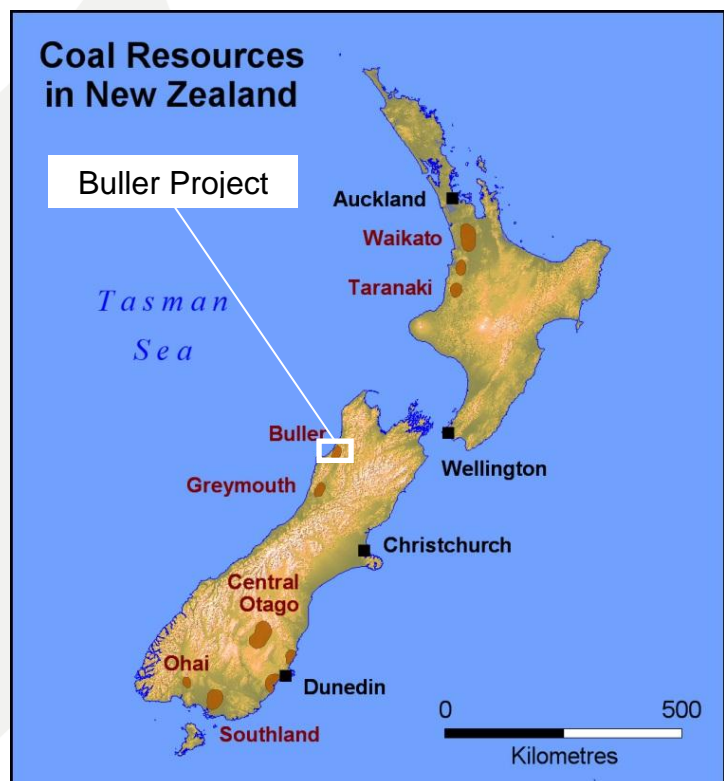
### Background

The Buller Coalfield on the West Coast of the South Island of New Zealand is one of the country's most significant fields. The region produces high quality, low ash, coking coals. There has been 140 years of mining in the region. Current production is mainly coking with the majority of coal being exported.

Railway lines adjacent to the Buller coalfields service the entire West Coast coal mining industry and connect to both river and deep water ports.

The Buller Project area comprises two permits that cover over 10,000 hectares of the Buller Coalfield. The permits largely surround Solid Energy's Stockton open cut mining operation.

Stockton produces approximately 2 million tonnes of coal per annum. 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 would expect to produce similar high quality coal from the similar seams mined by Solid Energy at Stockton.



## Project Overview

Bathurst has commenced a Definitive Feasibility Study on the Escarpment Resource within the Buller Project and appointed Marston International as its DFS study managers. The study is expected to be completed in Q3 2010.

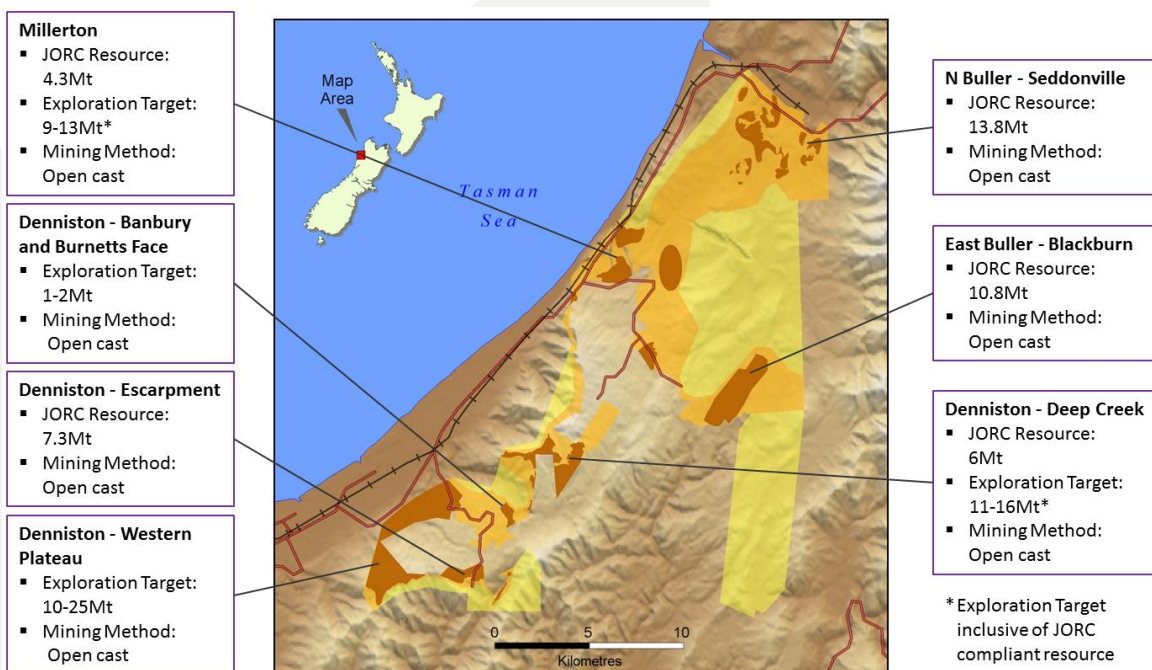
An initial JORC compliant Reserve will be completed as part of the DFS, sufficient to establish an initial minimum 10 year operational mine life in the southern areas of the exploration permits. In parallel, a staged drilling program has commenced to provide information to allow conversion of the 60 – 90 million tonne conceptual exploration target to a JORC compliant resource.

Mining is anticipated to commence in the Denniston Sector initially at Escarpment before moving on to other resources within the sector. The Denniston Sector has a conceptual exploration target of 29 – 50 million tonnes of coal within which an initial JORC compliant resource of 13.3 million tonnes has been established at Escarpment and Deep Creek.

The coal which lies in near horizontal seams typically 1 to 10 metres thick and covered by largely sandstone overburden generally 30 to 60 metres thick. The mining schedule indicates an average strip ratio of 9:1. Mining is planned to be open cast to feed a wash plant located centrally on the Denniston plateau.

The wash plant will produce a high quality hard coking coal as well as a smaller quantity of semi-soft steaming coal. This high quality coal has niche ash trimming and fluidity enhancing potential as well as low phosphorus levels. These strong coking properties together with its low sulphur, very low ash and good ash chemistry will make it a premium product for use in the steel industry and ferro silicon production.

The coal will be transported down the plateau through a pipeline to a filter and screening plant adjacent to the rail line. The product will then be railed to either Westport or Lyttelton for shipping to overseas markets.



### **Statement of Exploration Potential**

The estimate of exploration potential was calculated using the results from historical mining and exploration as well as recent drilling undertaken by L&M Coal. The potential quantity and quality is conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in determination of a mineral resource.