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10<sup>th</sup> floor, 20 Bond Street  
Sydney NSW 2000

**BATHURST**  
RESOURCES LTD

## BATHURST ANNOUNCES INITIAL RESERVE

**Bathurst Resources Ltd (ASX:BTU) is pleased to announce its initial JORC Reserve of 12.6M tonnes at the Escarpment and Deep Creek mines of the Buller Coal Project in New Zealand.**

Following the completion of the resource update announced in September 2010, Bathurst has now completed the mine planning to allow an estimate of initial reserves to be calculated for both the Escarpment and Deep Creek prospects. The resource base for the two prospects are 7.3Mt and 10.9Mt respectively totalling 18.2Mt out of the Buller Project total resource of 47.1Mt.

Proved and Probable Reserves identified to date total 12.6Mt run-of-mine (ROM) coal with Escarpment providing 4.1Mt and 8.5Mt from Deep Creek. In addition to the Proved and Probable Reserves, a further 2.1Mt of Inferred coal resource falls within the pit shell of Escarpment. This additional coal is classified as Inferred due to the presence of old workings, and therefore is not included in the Reserve.

It is however, Bathurst's intention to mine the coal located in the old workings at the Escarpment in accordance with the results of the Definitive Feasibility Study ("DFS") released on 18<sup>th</sup> August 2010.

### Initial Reserve Estimate

Within optimised pit shells (Mt)

	JORC Reserve	Product Coal
Escarpment	4.1	2.7
Deep Creek	8.5	7.5
<b>TOTAL</b>	<b>12.6</b>	<b>10.2</b>

As noted, in addition to the above there is approximately 2.1 Mt of Inferred coal resources (ROM) in Escarpment which will be mined, processed and sold. It is expected that processing this material will produce approximately 1.4 Mt of product coal.

### Production Schedule (to FY 2015)

Description	2011/12	2012/13	2013/14	2014/15
Escarpment - Product Coal Sales (000s tonnes)	359	783	1,000	1,000
Deep Creek - Product Coal Sales (000s tonnes)	0	317	750	1,000
<b>Total Buller Project - Product Coal Sales (000s tonnes)</b>	<b>359</b>	<b>1,100</b>	<b>1,750</b>	<b>2,000</b>

Both projects will be mined as open cast operations ("cut and cover"), hauling ROM coal to the Coal Preparation Plant (CPP) on the Denniston Plateau. Some 43% of the ROM coal from Deep Creek is of direct shipping quality and will be transported directly from the CPP to Fairdown (unwashed) via the slurry pipeline.

Adding the reserve at Deep Creek to that of Escarpment will enable Bathurst to increase production from an initial 1Mtpa to 2Mtpa from 2014 and as a result of the higher production, lower unit costs by approximately 15 – 20%.

Bathurst is also continuing its exploration programme to upgrade its Denniston Plateau targets as well as to extend the resources at Deep Creek. The company is targeting resources from the southern portion of the Buller Project to enable production to continue well beyond 2018.

## Reserve detail:

### Escarpment

#### 1. Escarpment Project Coal Reserve Estimates - Within Pit Shells

Description	Coal Reserves (Mt)		
	Proved	Probable	Total
Run-of-Mine Coal	3.5	0.5	4.1
Product Coal	2.3	0.4	2.7

An additional 2.1 Mt of JORC Inferred coal resources in Escarpment will be mined and processed which is expected to produce approximately 1.4 Mt of product coal.

### Deep Creek

#### 1. Deep Creek Coal Reserve Estimates - Within Pit Shells

Description	Coal Reserves (Mt)		
	Proved	Probable	Total
Run-of-Mine Coal	5.8	2.7	8.5
Product Coal	5.1	2.4	7.5

### Total Reserve

Pit	Run-of-Mine Coal Reserves			Product Coal		
	Proved	Probable	Total	Proved	Probable	Total
Escarpment	3.5	0.5	4.1	2.3	0.4	2.7
Deep Creek	5.8	2.7	8.5	5.1	2.4	7.5
<b>Total</b>	<b>9.3</b>	<b>3.2</b>	<b>12.6</b>	<b>7.4</b>	<b>2.8</b>	<b>10.2</b>

Bathurst's Managing Director Hamish Bohannan said

"The completion of the mine planning and determination of our initial JORC Reserve of 12.6Mt underscores our confidence in the Buller Project as a near term supplier of high quality coking coal."

"The reserve calculation is another significant step forward for Bathurst in demonstrating the potential in this project and its compelling economic viability and attractiveness to steel mills worldwide."

"We have one of the best coking coal projects in the world and the Bathurst team is determined to realize its value for the company, shareholders and New Zealand."

For and on behalf of Bathurst Resources Ltd



Hamish Bohannan  
Managing Director

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#### Competent Person's Statement

The information in this release that relates to exploration results, mineral resources and mining reserves is based on information compiled by Neil Fraser who is a full time employee of Marston International 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 the ASX release of the matters based on his information in the form and context in which it appears above.

# 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 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.

## Highlights

- 100% acquisition of high quality metallurgical coal project in NZ,
- JORC Compliant resources of 47.1 Mt<sup>(1)</sup> within a total exploration potential of 60-90 million tonnes<sup>(2)</sup> (inclusive of initial JORC Reserve),
- Open cast development opportunity with production in 12-18 months, and
- Development in an area of established operations with infrastructure.

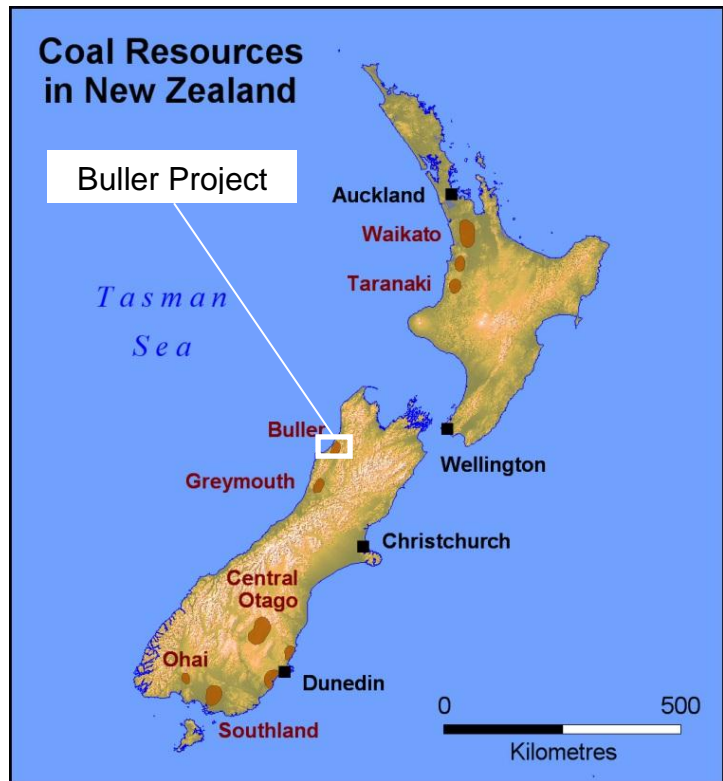
## Background

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 similar seams mined by Solid Energy at Stockton.



## Project Overview

Bathurst has recently completed a Definitive Feasibility Study on the Escarpment Resource within the Buller Project with Marston International as its DFS study managers. Marston are currently preparing an addendum to include the Deep Creek area which should significantly add to the initial mine life. The study was completed in Q3 2010 and is currently undergoing independent peer review.

An initial JORC compliant Reserve was 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<sup>(2)</sup> 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 34 – 53 million tonnes<sup>(2)</sup> of coal within which an initial JORC compliant resource of 18.2 million tonnes has been established at Escarpment and Deep Creek<sup>(1)</sup>.

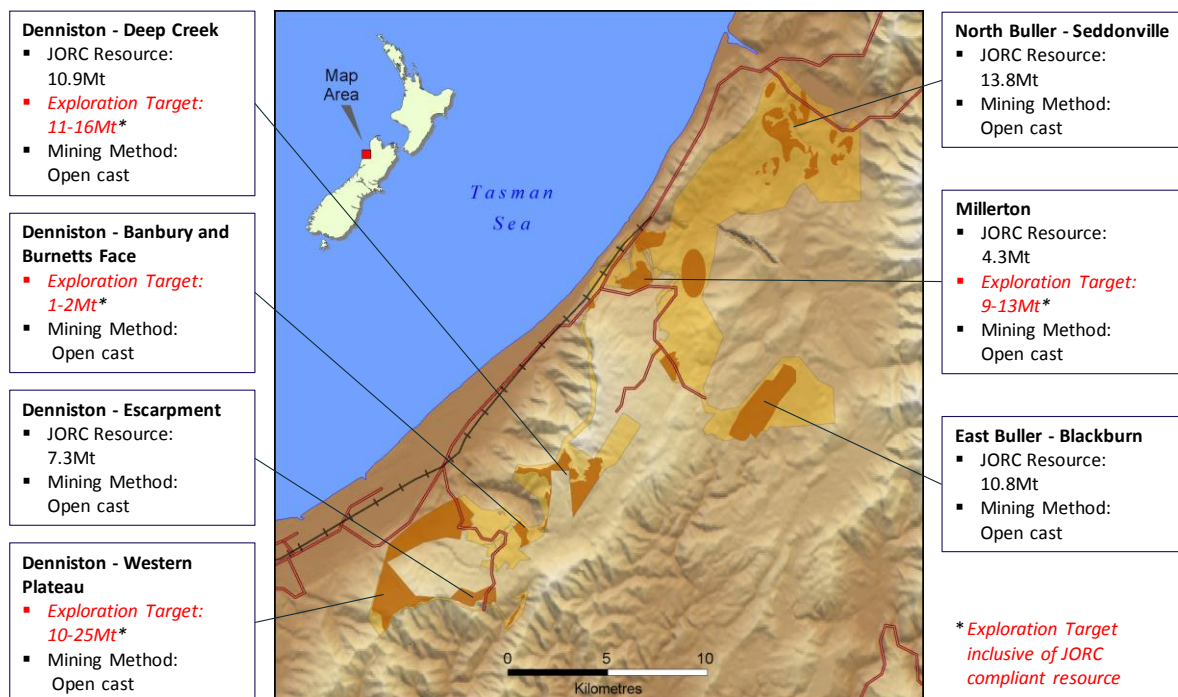
The coal lies in near horizontal seams up to 1 to 10 metres thick, but generally 4 to 6 metres, and covered largely by sandstone overburden generally 30 to 60 metres thick. The mining schedule for Escarpment indicates an average strip ratio of 9:1 and for Deep Creek an average strip ratio of 5.5:1. Mining 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. 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 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 off 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.

**Updated Resources** <sup>(1)(2)</sup>

<b>Status</b>	<b>Prospect</b>	<b>Mt</b>	<b>Total (Mt)</b>
Measured	Escarpment	3.8	<b>10.0</b>
	Deep Creek	6.2	
Indicated	Escarpment	1.6	<b>24.6</b>
	North Buller	4.8	
	Blackburn	10.8	
	Millerton North	4.3	
	Deep Creek	3.1	
Inferred	Escarpment	1.9	<b>12.5</b>
	North Buller	9.0	
	Deep Creek	1.6	
<b>TOTAL</b>			<b>47.1</b>



**(1) Competent Persons Statement**

The information in this document that relates to exploration results and mineral resources for Deep Creek is based on information compiled by Neil Fraser who is a full time employee of Marston International 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 the ASX release of the matters based on his information in the form and context in which it appears above.

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The information in this document that relates to exploration results and mineral resources other than Deep Creek 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.

**(2) Statement of Exploration Potential**

The estimate of exploration potential was calculated by Bathurst Resources 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.

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