



3 May 2011

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

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New Zealand Exchange Ltd  
Level 2, NZX Centre  
11 Cable Street  
Wellington, New Zealand

## **BATHURST TO FURTHER CONSOLIDATE ITS NEW ZEALAND COAL HOLDINGS AND TO RAISE UP TO A\$55 MILLION VIA AN INSTITUTIONAL PLACEMENT**

Bathurst Resources Limited (ASX & NZX: BTU, “Bathurst”, or “Company”) is pleased to announce it has entered into an agreement with Mr. Robert Griffiths and Brookdale Mining Limited NZ (an associated entity of Mr. Griffiths) to acquire the Brookdale Assets on the Buller Plateau (the “Agreement”).

The assets include permits covering an area of 341.6 hectares across three blocks, strategically located immediately above Bathurst’s Cascade mine currently operating and recently acquired by Bathurst, and adjacent to the Escarpment block. This acquisition completes Bathurst’s consolidation of its South Buller operation.

Bathurst is also pleased to announce a non-underwritten, institutional placement (“Placement”) to raise approximately A\$55 million.

### **Brookdale Acquisition**

The key terms of the Agreement are included in an Annexure to this release. In summary the acquisition includes:

- 3 blocks adjacent to Bathurst’s existing Cascade and Escarpment blocks, containing an exploration target of 15 – 25 million tonnes of coal<sup>(\*)</sup>;
- Coal quality expected to be predominantly hard or semi-soft coking coal;
- Fully consented permits for 2 small underground operations, with the potential for these to be converted to open cast permits;
- Partially consented permit for 1 open cast operation;
- Permit to truck up to 250,000 tonnes per annum of coal off the Buller Plateau; and
- A consented stockpile facility (up to 90,000 tonnes) at Fairdown.

*(\*) The estimate of exploration potential was calculated by Bathurst using the results from historical mining and prior exploration. The potential quantity & quality is conceptual in nature & there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in the determination of a mineral resource.*

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Consideration for the acquisition is US\$12 million in cash and 15 million shares in the Company. In addition, a life of mine royalty based on a fixed percentage of FOB revenue will be payable.

### **Equity Raising**

The Placement will be conducted by way of a fixed price offer at A\$1.05 per share, representing a:

- 10.3% discount to the last closing price on 29 April 2011; and
- 7.9% discount to the 30 day VWAP ending 29 April 2011.

The Placement will result in a maximum issue of approximately 52.4 million ordinary shares, representing approximately 8.5% of the Company's current issued capital. Placement shares will rank equally with existing ordinary Bathurst shares. The issue will be made within the Company's 15% discretionary placement capacity.

UBS AG, Australia Branch ("UBS") and Helmsec Global Capital Limited ("Helmsec") are acting as Joint Lead Managers of the Placement and Allion Legal Pty Limited ("Allion Legal") is acting as legal counsel to Bathurst.

The proceeds from the Placement will be used by Bathurst for:

<b>Use of Placement proceeds</b>	<b>A\$M</b>
Acquisition of the Brookdale Assets and permits	12
Drilling, development & other exploration	10
Capex & development costs for Eastern Resources & Brookdale Assets	30
Working capital & transaction costs	3
<b>Total</b>	<b>55</b>

Bathurst's Managing Director Hamish Bohannan said:

*"We are very pleased to have reached an agreement with Mr. Robert Griffiths regarding the acquisition of the Brookdale Assets. Bathurst believes the acquisition adds good value to the South Buller project."*

*"At the mid-point of Bathurst's Exploration Target of 20Mt, the purchase price equates to approximately A\$1.40/t. When combined with the potential operational synergies from merging Brookdale with our own operations, Bathurst is confident of the upside available to its shareholders from the acquisition."*

*"Following the completion of the equity raising, Bathurst Resources will be fully funded to meet its near term capital and development requirements."*

## Indicative Placement timetable

Event	Date
Completion announcement & trading halt lifted (ASX & NZX)	Wednesday 4 May 2011
Placement settlement	Monday 9 May 2011
Placement Shares allotted	Tuesday 10 May 2011

On behalf of Bathurst Resources Ltd



Hamish Bohannan  
Managing Director

### For further information, please contact:

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**IMPORTANT NOTICE****Forward-Looking Statements**

This announcement contains forward looking statements. Forward-looking statements are not statements of historical fact and actual events and results may differ materially from those described in the forward looking statements as a result of a variety of risks, uncertainties and other factors. Forward looking statements are based on the Company's beliefs, opinions and estimates as of the date the forward looking statements are made, and no obligation is assumed to update forward looking statements if these beliefs, opinions and estimates should change or to reflect other future developments. There can be no assurance that forward looking statements will prove to be accurate and actual results and future events could differ materially from those anticipated by such statements.

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**ACQUISITION OF BROOKDALE PROJECT AND ASSOCIATED ASSETS  
SUMMARY OF AGREEMENT**

1. Bathurst Resources Limited (ASX:BTU) ("**Bathurst**" or the "**Company**") has entered into agreements for the purchase of coal mining permits (and associated information) ("**Permits**") and related access agreements, consents and records ("**Brookdale Assets**") pursuant to Sale and Purchase Agreements with Robert James Griffiths and Brookdale Mining Limited (together the "**Vendors**") ("**Acquisition Agreements**").
2. The Vendors have agreed to sell the Permits and Brookdale Assets pursuant to the Acquisition Agreements for US\$12 million and the issue of 15 million Bathurst fully paid ordinary shares. The Company has paid a deposit of US\$4 million.
3. Completion under the Acquisition Agreements is subject to and conditional upon satisfaction of the following conditions by 31 July 2011 (unless otherwise extended in accordance with the Acquisition Agreements):
  - Bathurst being satisfied, acting reasonably, of the presence of at least five million tonnes of at least inferred resources, determined in accordance with the JORC Code, within the permit area;
  - Bathurst being satisfied, acting reasonably, that the Vendors can transfer title to the Permits free of any encumbrances;
  - Bathurst obtaining third party, ministerial, governmental and regulatory consents being required for the transfer of the Permits, or the Brookdale Assets, as the case may be;
  - Bathurst entering into deeds of assignment and assumption in relation to the access agreements and obtaining all necessary consents for the assignment of those access agreements to Bathurst; and
  - Bathurst being satisfied that the Vendors has not granted any third party rights to acquire an interest in the Permits, or if such rights have been granted, that the agreement granting the rights has been validly terminated.
4. Each of the parties to the Acquisition Agreements has the right to terminate the Acquisition Agreements in the event the other parties materially breach a warranty or any of their obligations, or if a warranty becomes incorrect or untrue in any material respect.
5. The sale of the Permits is subject to the following conditions:
  - Bathurst completing an agreed drilling programme within six months of obtaining access to site and authority to drill;
  - Bathurst applying for all necessary mining approvals within two months of completion;
  - Bathurst maintaining the Permits in good standing; and
6. Under the agreement, Bathurst agrees to annual production rates of coal from the Permits as set out in the table below:

Year	Tonnes per annum
2014 – 2015	300,000
2015 – 2016	400,000
2016 onwards	500,000

7. Bathurst and the Vendors have also entered into a Royalty Agreement, effective upon completion of the Acquisition Agreements, providing for a fixed percentage of FOB revenue until the completion of coal recovery from the Permit Area based on standard commercial terms.

ENDS

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