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## BATHURST COMPLETES PROJECT REVIEW

### LOCAL RESIDENTS WITHDRAW APPEAL TO ENVIRONMENT COURT

#### Key Points:

- **Project review completed – optimises development of resources**
- **Infrastructure changes – reduces operating cost and environmental effects**
- **Fairdown Whareatea Residents withdraw appeal**

Bathurst Resources Ltd (ASX & NZX: BTU) is pleased to announce that following a comprehensive project review and resultant changes to mine scheduling and infrastructure, and a successful mediation process with the Fairdown Whareatea Residents Association Inc (**FWRA**), the FWRA have withdrawn their appeal to the Environment Court against the resource consents granted in August 2011 by the Buller District Council and the West Coast Regional Council for the Escarpment Mine Project.

Concurrently with the mediation, Bathurst has undertaken a comprehensive review of the Buller Project. This included testing the assumptions on which Bathurst's predecessor, L&M Coal Holdings Ltd's (**L&M**) planning and permitting applications were made whilst acknowledging the previous constraints upon L&M.

The original Buller Project Plan for which the resource consents were granted in August 2011, was based on mining the Escarpment block, a coal washing plant on the plateau and a pipeline to transport coal off the plateau to a stockpile facility in Fairdown.

Bathurst has now developed a revised plan which eliminates technical risk associated with the pipeline, commits to an aerial system of coal transportation, delivers a better capital profile and significantly reduces the environmental effects of the Buller Project.

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The revised Buller Project Plan incorporates an improved mine schedule for the Escarpment block, which will produce a low-ash coal negating the immediate need for a wash-plant. The first two to three years of coal production is expected to be at a slightly lower annualised production rate and the coal will be transported off the Plateau via truck to either the Port of Westport or a rail load out facility for transport to Lyttelton. Annualised production rates are expected to be approximately 500,000 tpa until the new aerial transport infrastructure has been constructed.

Concurrently with the first two years of production from Escarpment, the permitting, design and construction of a shorter, more acceptable transport route by an aerial system will be finalised. The aerial system will transport coal to an identified site on the coastal plain north of Fairdown; a location that is acceptable to local residents. This new “raw coal” strategy defers the need for a wash plant for at least two years.

Upgrading the port facilities at Westport will proceed as planned with the construction of a new covered storage shed which will cater for the production from the Escarpment and Cascade mines.

The benefits of the revised plan are an optimised mining schedule, more efficient use of resources and infrastructure, lower operating costs and significant reduction in environmental effects. The resultant changes have the support of the FWRA who have lodged an application to withdraw their appeal to the Environment Court. The other parties who “co-joined” in the FWRA appeal, including the Royal Forest & Bird Protection Society, have agreed with the Residents application being withdrawn.

Bathurst’s priority remains the development of Escarpment block. This continues to be dependent upon the outcome of the remaining licence appeals. Meanwhile, production from Cascade will be maximised and production from Coalbrookdale, subject to final feasibility studies, will be expedited.

North Buller is subject to a scoping study, the results of which are expected in the June quarter. Preliminary analysis indicates that North Buller coal could be blended with Escarpment coal. This could enable the deferral of the construction of a wash plant beyond the two years noted earlier.

The Escarpment project is expected to be fully funded, after allowing for Bathurst’s existing cash reserves and the US\$90 million in borrowing facilities that Bathurst anticipates concluding with its offtake partners in the coming months.

Pursuant to the terms of the settlement between Bathurst and FWRA, Bathurst will use its best endeavours to obtain all required consents for the revised plan. However, the original consents granted to Bathurst will not be surrendered and Bathurst retains the right to revert to the original project plan in the unforeseen event that the required consents for the revised plan cannot be obtained.

Commenting on today's announcement, Bathurst's CEO Mr Hamish Bohannan said:

"This is a very pleasing outcome for many reasons. A new plan has been identified that provides a more efficient use of capital and resources, shows a clear path to extracting synergies from the potential North Buller project, resolves the issues raised by the Residents association and significantly reduces our environmental impact".

"Whilst it has taken a while to pull this together I believe the process was more than worthwhile and the outcome will have long lasting benefits for the community and the environment in Westport".

On behalf of Bathurst Resources Ltd

A handwritten signature in black ink, appearing to read 'Hamish Bohannan', written over a light grey grid background.

Hamish Bohannan  
Managing Director and Chief Executive Officer.

ENDS

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