

# QUARTERLY REPORT

SEPTEMBER 2024 QUARTER

BATHURST.CO.NZ

**\$8.6m**

Consolidated first quarter EBITDA

**\$139m**

Consolidated cash including restricted short-term deposits

**\$55m-\$65m**

FY25 consolidated EBITDA guidance maintained at \$55m to \$65m



## CEO's Comments

Bathurst's first quarter consolidated EBITDA of \$8.6m was ahead of forecast, and we are maintaining our full year consolidated EBITDA guidance of \$55m-\$65m.

In what have been challenging operational conditions, the result was a reduction of \$8.5m from the same period last year. This decrease can be directly attributed to the reduced earnings from our export segment, which continues to face restricted sales volumes due to the closure of the Tawhai Tunnel on the rail line from the Stockton mine to the Lyttleton port.

However, despite these challenging operating conditions, Bathurst has been able to maintain a strong consolidated cash position which, including restricted short-term deposits, totalled \$139m at 30 September.

Bathurst continues to work closely with the infrastructure owners, KiwiRail, as they repair the Tawhai tunnel as quickly and as safely as possible. While the repairs are being undertaken, we have been working closely with customers to minimise disruption as much as possible.

We will also continue to utilise an increased road freighting plan to maximise the amount of coal we can get to port in the interim. Additionally, we will maximise our logistical capabilities to catch up on any shipments which may have been deferred once the repairs are completed.

As we expected, the HCC benchmark trended down throughout the quarter. It reached a low of USD \$180/tonne during the middle stages of September, which is the lowest price encountered since June 2021. The price however rebounded to sit above USD \$200/tonne by the end of September following an announcement of a new Chinese Government stimulus, which helped to lift market confidence and support pricing.

Despite the adverse impact of our export segment, the quarter did deliver some positive results for our domestic segment, which saw both the North Island and South Island domestic segments perform ahead of forecast both financially and operationally. Rotowaro has continued to move forward in the stripping phase of the Waipuna West Extension pit which has seen significant increases in overburden removal, while also focusing on producing sufficient coal to fulfil contracted sales volumes. Takitimu has also seen increased production and sales

At the end of the quarter, during October we also announced that both the Buller Plateaux Continuation Project (Export) and the Rotowaro Continuation Project (North Island Domestic) were accepted as projects of regional or national benefit and listed on Schedule 2 of the Fast Track Approvals Bill. This is a significant development for Bathurst as, under the proposed legislation, these projects will be able to make a full application to the Environmental Protection Authority to be assessed by an Expert Panel for a final decision. It is the expectation of the Government, and our understanding, that the projects will be processed in a shorter statutory timeframe than what is currently available once the Bill is enacted.

EBITDA is a non-GAAP reporting measure and reflects earnings before net finance costs (including interest), tax, depreciation, amortisation, impairment, non-cash fair value movements on deferred consideration and rehabilitation provisions.

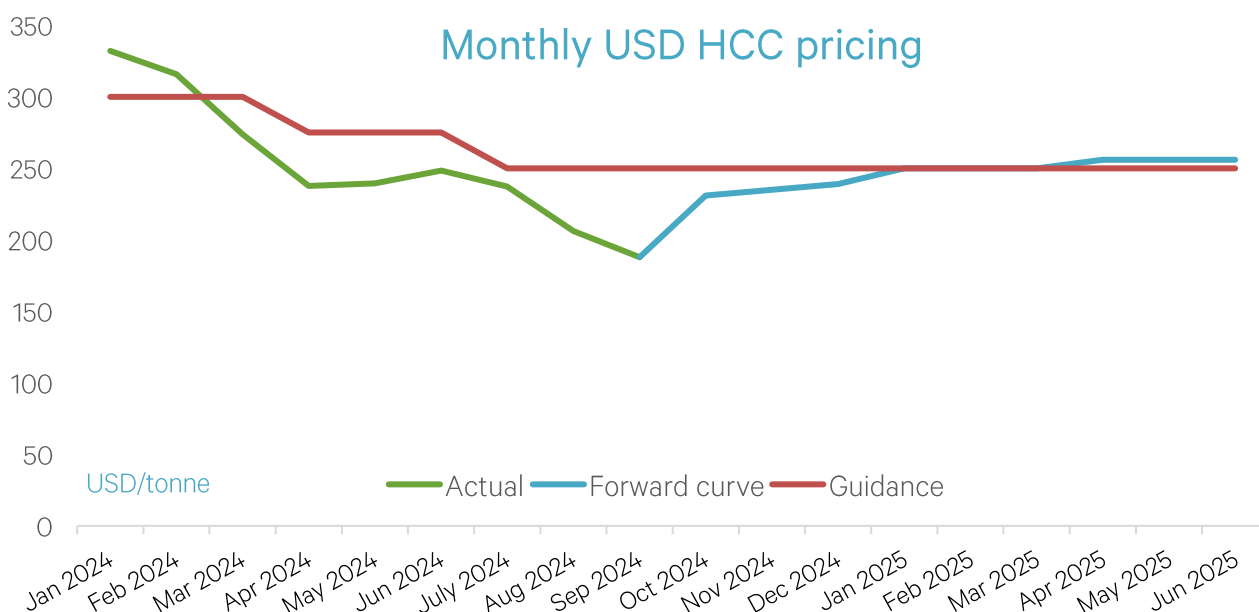
## Export Market Update

The HCC price reached a low of US\$180/t in mid-September, the lowest price since June 2021, as demand out of both China and India remained very weak on the back of a poor steel market, with production cuts across steel mills in a number of regions while India remained within the wetter than normal monsoon season.

An announcement of new Chinese Government stimulus during September helped lift pricing and market confidence with the price increasing back above US\$200/t by month end with a number of traders taking positions on cargos on expectations of an improving steel market through November and December.

While the recent stimulus announcement from the Chinese Government helped lift the price in recent weeks, there is still uncertainty whether this stimulus package will be enough to sustain economic activity over the coming months. However, there is speculation of further Chinese stimulus to come.

It is not expected that the coal prices will improve remarkably over the next few months with Indian buyers expected to remain on the sidelines for longer than expected post monsoon on lower construction activity. While latest Australian weather predictions are now expecting La Nina will not deliver the wet weather and rainfall as earlier forecast and hence supply out Queensland is expected to remain steady.



Actual USD monthly export benchmark pricing based on S&P Global Platts Premium Low Vol benchmark daily spot pricing. Forward curve is based on the 30 September 2024 S&P Global Platts Premium Hard Coking Coal Australia FOB derivative assessment.

# Performance Metrics

<b>September quarter</b>	<b>Export 100%</b>	<b>NID 100%</b>	<b>SID 100%</b>	<b>Q1 FY25 BRL equity share</b>	<b>Q1 FY24 BRL equity share</b>
Production (kt)	204	129	46	<b>262</b>	<b>281</b>
Sales (kt)	155	141	44	<b>236</b>	<b>258</b>
Overburden (Bcm '000)	1,496	2,340	215	<b>2,709</b>	<b>1,773</b>
Coal sales revenue (\$'000)	50,547	23,345	8,129	<b>56,159</b>	<b>58,888</b>

## Health, Safety and Environment

There were four lost time injuries recorded across our operations for the quarter.

Over the past six months, we have completed an internal review and consultation on our field leadership program and have finalised a full program refresh. The program will continue to target improvements in health and safety through visible, engaged leaders and through leading by example. It will, however, add further concepts of human and organisational performance. The improved program will commence in Q2 FY24, including one-on-one field coaching sessions to improve engagement and interaction with workers in critical safety conversations.

As part of our mine closure and decommissioning guidelines, each site must keep regular focus on key risks to the business when planning for closure. In the last quarter, sites have updated their mine closure broad brush risk assessments and are now working on the updated actions for integration into annual work plans and budget cycles.

## British Columbia Projects

### Tenas Coking Coal Project

Since acquiring the assets of the Tenas Coking Coal Project in December 2023, the project has been advancing as planned. At the end of FY24 we executed a Project Assessment Agreement (PAA) with First Nations. This is a significant milestone and will help us advance our Environmental Application and move a step closer to receiving the required permits and our anticipated production in FY26.

More information regarding the Tenas project can be found in our ASX releases of 5 September and 22 December 2023.

### Crown Mountain Project

A consent agreement was executed with key indigenous nations in early 2023.

In January the project's Environmental Impact Statement (EIS) and Environmental Assessment Application (EA) passed the Impact Assessment Agency of Canada's conformity review process. This allows the project to proceed to the next regulatory phase, which is the EIS review phase.

Bathurst's equity share remains at 22.1 percent of the project.

## Fast Track Approvals Bill

During October the New Zealand Government declared that both the Buller Plateaux Continuation Project and the Rotowaro Mine Continuation Project have been approved by the independent Projects Advisory Group to be listed on Schedule 2 of the Fast-track Approvals Bill. Under the proposed legislation, listed projects will be able to make a full application to Environmental Protection Authority to be assessed by an Expert Panel for a final decision.

Projects that gain a fast-track listing will be processed in shorter statutory timeframes than under the existing New Zealand planning regime and can apply for multiple approvals at the same time in one streamlined application.

Our existing operations in the Waikato and the West Coast of the South Island provide significant socio-economic benefits to our host communities, our employees and contractors, and these two projects will maximise these benefits. Meeting this initial step under Fast-track Approvals legislation is very welcome, and we look forward to the Bill progressing smoothly through the Parliamentary process to enactment before the end of the year.

## Consolidated FY25 Guidance \$55M - \$65M

	<b>Metric</b>	<b>Export 100%</b>	<b>NID 100%</b>	<b>SID 100%</b>	<b>Telkwa 100%</b>	<b>BRL equity share</b>
Sales	kt	1,081	592	220	-	1,307
EBITDA	NZD	\$75.2m to \$90.5m	\$5.6m	\$3.3m	-\$0.8m	\$55m to \$65m

### Key guidance assumptions

FY25 guidance remains at \$55m to \$65m.

Forecast export sales pricing is indicatively based on an annual average HCC benchmark of USD \$250/t at \$0.62 NZ:USD across all sales types including thermal coal sales.

EBITDA includes corporate overheads for BT Mining in NID and Bathurst in SID.

# Consolidated Cash Movements

		Q1 FY25	Q1 FY24
	<b>Consolidated opening cash</b>	<b>140.7m</b>	<b>163.1m</b>
<b>Operating</b>	Consolidated EBITDA	8.6	17.2
	Working capital	3.3	(10.1)
	Canterbury rehabilitation	(0.2)	(0.1)
	Corporation tax paid	-	(34.5)
<b>Investing</b>	Deferred consideration	(0.2)	(0.2)
	Crown Mountain Project	-	(0.3)
	Property, plant and equipment net of disposals	(2.5)	(2.6)
	Mine assets including capitalised stripping	(11.1)	(4.5)
<b>Financing</b>	Finance lease repayments	(1.7)	(0.9)
	Financing income	2.1	2.2
	<b>Consolidated closing cash</b>	<b>139.0m</b>	<b>129.3m</b>

## Consolidated EBITDA

EBITDA decreased from FY24, which has been driven by reduced export sales volumes due to the tunnel failure on the rail line from the Stockton mine to Lyttleton port. Refer to the following page for EBITDA commentary.

## Working capital

The timing of sales, and in particular the number of export shipments in June 2024 compared to this year has resulted in a decrease in trade debtors.

## Corporation tax paid

Decrease in corporation tax paid which reflects the timing of tax obligations on increased taxable operating profits and income tax obligations from FY23 & FY24.

## Deferred consideration

Payments for the year consisted of royalties on Takitimu mine sales.

## Crown Mountain Project

Funds are paid on a proportional project equity ownership basis and were used to progress the environmental application. The timing of progress payments meant that there were none made in Q1.

## Mining development including capitalised stripping

Spend has increased from the prior year comparative period due to the increased mine development costs and capitalised stripping in the Waipuna West extension at the Rotowaro mine as well as the continued development of the Tenas project assets in British Columbia.

## Financing income/(costs)

Interest received on cash balances and deposits held.

# YTD Consolidated EBITDA v Prior Year

## EXPORT equity share (65%) \$8.9m (Q1 2024 \$18.3m)

Revenue has reduced due to:

- Reduced sales tonnes of 42kt for the quarter versus prior the comparative period (PCP) due to reduced trucking freight capacity during the Tawhai Tunnel closure and repair.
- The average price received including hedging per tonne was NZD \$326 versus NZD \$300 in the PCP, which partially offset the reduced sales volumes.

Costs have increased because of:

- Increase in repairs and maintenance costs which is linked to an increase in machine hours required to achieve higher stripping volumes across the pits at Stockton.
- Significantly increased freight costs due the road freight plan implemented while the Taiwhai Tunnel undergoes repairs.
- The cost of fuel has reduced from FY24, which has partially been offset by an increase of machine hours and fuel volumes.
- Employee profit share and sales commission expense has reduced as they are influenced by revenue which has reduced due to lower sales volumes.
- Higher labour and other material input costs driven by higher headcount, contracted increases and inflationary pressures.
- Contractors and explosive costs have increased, which was driven by increased drill and blast activities and contractor overburden removal to achieve increased stripping volumes.
- Operational efficiencies meant there were no shifts lost during the quarter. This resulted in 2 additional shifts worked versus the PCP.

## NID including BT corporate overheads equity share (65%) -\$0.2m (Q1 2024 \$0.6m)

- Increased sales volumes of 8kt and a slightly higher average price received has helped increase revenue.
- Direct costs of mining including fuel, contractors, repairs and maintenance, drill and blast costs and equipment hire have all increased due to the increased stripping volumes.
- Labour costs have increased due to a combination of contracted increases in labour rates, and additional headcount required for increased stripping volumes.

## SID including BRL corporate overheads (100%) \$0.1m (Q1 2024 -\$1.8m)

- Sales volumes and an increased average price received per tonne has lead to increased revenue.
- Production has also increased, which resulted in increased coal stockpiles than the same period in FY24.
- Direct costs of mining were lower than the PCP, which has been driven by a reduction in fuel costs and repairs and maintenance costs.
- The increase in revenue and reduction in direct costs been partially offset by an increase in staff costs due to an increase in headcount to achieve overburden removal targets.

## Telkwa – Tenas Project (100%) -\$0.2m

- Operating costs incurred as the mine progresses with the required permit applications.

# Quarterly Operations Review

## Export (Stockton) (65%)

There were three export shipments in the quarter, with sales totalling 155kt. The sales were in line with the forecast and the shipping plan which is aligned with the maximum freight available via the road freight plan implemented while the Tawhai Tunnel is being repaired following its failure in June.

Average price per tonne (“/t”) excluding hedging was NZD \$267/t, which was NZD \$6 higher than forecast. The average benchmark price has dropped, moving from USD \$251/t in Q4 2024 to USD \$230/t in Q1 2025.

Overburden removal was ahead of plan in Q1 due increased efficiencies across the pits at the Stockton mine. Increased contractor stripping levels also contributed to the additional overburden removal levels.

Production in the quarter was ahead forecast, which was driven by an increase in trucking capacity.

## North Island Domestic (65%)

### Rotowaro

Production levels were slightly higher than forecast for the quarter due to the sequencing of the mine plan.

Overburden was ahead of plan by 40k bcm as operational efficiencies enabled the higher stripping volumes to be achieved in the Waipuna West Extension pit.

Sales of 100kt were 6tk ahead of forecast. The increase was driven by a catch up of previously deferred contracted sales.

### Maramarua

Production was slightly lower than forecast for the quarter.

Overburden volumes were behind forecast and were impacted by workforce vacancies. Recruitment has been done and operators are currently being trained to improve overburden levels going forward.

Sales volumes were slightly behind plan, which was due to varying customer mix and demand.

## South Island Domestic (100%)

### Takitimu

Production was ahead of plan as coal winning was prioritised to enable increased stockpiles while also enabling increase in sales during the quarter of 5kt.

Overburden removal was impacted by poor weather during the quarter, which had increased levels of rainfall. The prioritisation of coal winning during July and August also impacted the overburden removal.

## Exploration (Equity Basis)

Consolidated spend across projects for Q1. Key work consisted of:

- Mine planning costs for the Rotowaro extension project.
- Mine planning costs for the Buller extension project.
- Rehabilitation studies at the Stockton mine.
- AMD and water management studies at the Stockton mine.

## Development (Equity Basis)

\$8.0m consolidated spend across projects for Q1, with key spend on:

- \$7.5m on capitalised stripping from operating mine pits. Particularly at the Stockton mine and in the Waipuna West Extension pit at the Rotowaro mine.
- Drilling and assessment work at the Rotowaro mine.
- Water management, AMD studies and baseline studies at the Stockton mine.

# Corporate

## Q1 results presentation

Following the release of the Q1 results announcement, Richard Tacon (Bathurst Resources CEO) will be presenting the Q1 results and business update online.

The presentation will be held on the 5<sup>th</sup> of November via a Zoom Investor Call scheduled to start at 1:00pm NZT / 11:00am AEDT.

A link to the presentation is available here:

[https://us02web.zoom.us/webinar/register/WN\\_WJawJpZMQrmma9BUTptuUg](https://us02web.zoom.us/webinar/register/WN_WJawJpZMQrmma9BUTptuUg)

## Annual general meeting

The AGM has been set for Wednesday 27 November 2024, at 11 am NZDT. It will be held in person in Wellington, New Zealand, at the offices of Minter Ellison, BNZ Place Level 5, 1 Whitmore Street, Wellington.

This document was authorised for release on behalf of the Board of Directors on 30 October 2024.

## Shareholdings

Substantial holder & geographical location	Shareholding %
Republic Investment Management (Singapore)	20.8%
Talley's Group Limited (New Zealand)	10.8%
Crocodile Capital (Europe)	9.1%
Ching Seng Chye (Singapore)	6.1%
Asia	24.6%
Europe	9.6%
New Zealand	5.2%
Management	2.1%
Australia	7.6%
Other	4.1%
<b>Total</b>	<b>100%</b>

EBITDA is a non-GAAP reporting measure and reflects earnings before net finance costs (including interest), tax, depreciation, amortisation, impairment, non-cash fair value movements on deferred consideration and rehabilitation provisions.

Consolidated references throughout this report represent 100 percent of Bathurst operations, and 65 percent of BT Mining operations. This presentation does not reflect reporting under NZ GAAP or NZ IFRS but is intended to show a combined operating view of the two businesses for information purposes only.

Unless otherwise noted, all dollar amounts referred to in this report are in New Zealand dollars.

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### Bathurst Resources Limited

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Wellington 6145, New Zealand

### At 25 October:

Share price: AUD \$0.74

Issued Capital: 191.4m ordinary shares

Market Capitalisation: AUD \$141.6m

### Chief Executive Officer

Richard Tacon

### Board of Directors

Peter Westerhuis – Non-executive  
chairman

Richard Tacon – Executive director

Fancois Tumahai – Non executive director

Russell Middleton – Executive director

### Company Secretary

Larissa Brown