



2019

Directors' report



Directors' report

Your directors present their report on the consolidated entity (“the Group”) consisting of Bathurst Resources Limited (“Bathurst”) and the entities it controlled at the end of, or during, the year ended 30 June 2019.

Directors

The following persons were directors of Bathurst Resources Limited as at 30 June 2019.

Toko Kapea	Non-executive Chairman
Richard Tacon	Executive Director
Russell Middleton	Executive Director
Peter Westerhuis	Non-executive Director

Principal activities

During the year the principal continuing activities of the Group consisted of:

- the production of coal in New Zealand, and
- the exploration and development of coal mining assets in New Zealand.

Dividends

A maiden dividend was declared on the 27 August 2019 and paid on the 23 October 2019, at a rate of AU 0.3¢ per share.

Environmental regulation

Our exploration and mining activities are subject to a range of environmental controls which govern how we carry out our business. These are set out below.

Mine development/mining activities

Mining activities are regulated by the following:

- Resource consents granted by the relevant district and regional territorial authorities, after following the processes set out in the *Resource Management Act 1991*.
- Mining licences granted originally under the Coal Mines Act 1979 and now regulated under the *Crown Minerals Act 1991*.
- Mining permits issued under the *Crown Minerals Act 1991* by the Minister of Energy and Resources, required to mine Crown coal.
- Access arrangements or profit à prendre granted by owners of private (i.e. non-Crown owned) coal.
- Access arrangements granted by relevant landowners and occupiers granted under the *Crown Minerals Act 1991*. For Crown-owned land managed by the Department of Conservation, these access arrangements are granted either by the Minister of Conservation or, for significant projects, jointly by the Minister of Conservation and the Minister of Energy and Resources.
- Concession agreements under the *Conservation Act 1987* for land outside a permit area but owned by the Crown and managed by the Department of Conservation.
- Wildlife authorities issued under the *Wildlife Act 1953* granted by the Minister of Conservation.

Controls around water and air discharges that result from mining operations are governed by the conditions of the resource consents that the particular mining operation is operating under. Our mining operations are inspected on a regular basis.

A discharge occurred at the Canterbury mine in January 2018 and the Canterbury Regional Council laid charges in respect of this incident. The Company applied for this matter to be dealt with through the Council's alternative environmental justice (“AEJ”) processes and was accepted by the Council and agreed remediation was completed by the Company in June this year. However, the Domestic Court has raised issues over the validity of the AEJ process and the Company has pleaded guilty to one representative charge. Sentencing is to take place on 27 November 2019, with the Company seeking a discharge without conviction.

Other than as disclosed, to the best of the directors' knowledge, all mining activities have been undertaken in compliance with the requirements of the *Resource Management Act 1991*, *Crown Minerals Act 1991*, *Conservation Act 1987* and *Wildlife Act 1953*.

Exploration activities

To carry out exploration, we need to hold a relevant exploration permit (where the coal is Crown owned) or consent from the mineral owner where the coal is privately owned, relevant resource consents to permit exploration, access arrangements with the relevant landowner and occupier and where wildlife is impacted a wildlife authority.

To the best of the directors' knowledge, all exploration activities have been undertaken in compliance with the requirements of the *Resource Management Act 1991*, *Crown Minerals Act 1991*, *Conservation Act 1987* and *Wildlife Act 1953*.

Hazardous substances

Mining activities involve the storage and use of hazardous substances, including fuel. We must comply with the *Hazardous Substances and New Organisms Act 1996* and *Health and Safety at Work (Hazardous Substances) Regulations 2017* when handling hazardous materials. To the best of the directors' knowledge, no instances of non-compliance have been noted.

Emissions Trading Scheme

The New Zealand Emissions Trading Scheme ("NZ ETS") came into effect from 1 July 2010, which essentially makes us liable for greenhouse gas emissions associated with the coal we mine and sell in New Zealand and for the fugitive emissions of methane associated with that mined coal. Liability is based on the type and quantity of coal tonnes sold, with the cost of such being passed on to customers. Bathurst's Emissions Trading Policy can be found on our website.

Corporate governance

Bathurst's Corporate Governance Statement is available on the Company's website [www: http://bathurst.co.nz/our-company/corporate-governance/](http://bathurst.co.nz/our-company/corporate-governance/)

Donations

The company made donations totalling \$34,054 to several local groups during the year including scholarships.

Directors' and officers' liability insurance

The company and its subsidiaries have arranged policies of directors' and officers' liability insurance, which, together with a deed of indemnity, seek to ensure to the extent permitted by law that directors and officers will incur no monetary loss as a result of actions legitimately taken by them as directors and officers.

Other information on directors

Directors' securities interests

Director	Ordinary shares	Performance rights
Mr T Kapea	3,657,409	250,000
Mr R Middleton	11,528,309	2,636,364
Mr P Westerhuis	3,268,636	250,000
Mr R Tacon	14,948,027	4,009,545

The increase in ordinary shares held by directors arose from the exercise of previously issued performance rights that vested on the 1 January 2019. For further information refer to note 18 in the financial statements.

Other current directorships of listed companies

No directors hold other current directorships in listed companies.

Former directorships of listed companies in last three years

Russell Middleton was a non-executive director of Tiger Resources Limited from July 2016 to October 2016. No other directors held former directorships of listed companies in the last three years.



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