

2 August 2024

Mr. Justin Nelson  
Listings Compliance (Sydney)  
ASX Compliance Pty Ltd  
Level 6, 20 Bridge Street  
Sydney NSW 2000

By email: [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au)

Your Ref: 93796

Dear Sir,

## RESPONSE TO GENERAL COMPLIANCE QUERY

Bathurst Resources Ltd (ASX code: BRL) (**BRL**) refers to the ASX's letter of 26 July 2024 (**ASX Letter**).

### Background information

The ASX letter refers to the use of "consolidated cash" in the 2024 First Half Results Presentation released on MAP on 29 February 2024. Consolidated cash is reported as 100% BRL and 65% BT Mining Limited (**BTM**).

### ASX's Questions

BRL further advises as follows, with reference to the questions raised in the ASX Letter (using the same paragraph numbering):

#### *Question One*

*As at each of the following dates, was 65% of the cash and cash equivalent assets then held by BT Mining (paragraph E) readily available for use by BRL:*

- 1.1 31 December 2023; and
- 1.2 31 January 2024?

No - the declaration and distribution of dividends by BTM requires the approval of both (i.e. all) shareholders of BTM. Further, BRL has no ability to procure any such approval from the other BTM shareholder and any dividend payments require unanimous approval.

### ***Question Two***

*If the answer to question 1 is “yes”, please explain the basis for this answer.*

Not applicable

### ***Question Three***

*If the answer to question 1 is “no”, please provide details of any conditions that would need to have been met and circumstances that would need to have occurred (including any approval that would have been required by BT Mining or any counterparty to the BT Mining joint venture) for the BT Mining cash to have been readily available for use by BRL?*

Under the joint venture agreement between the two shareholders in BTM, unanimous approval is required for activities that significantly affect BTM, and those activities expressly include the declaration and payment of dividends to the shareholders of BTM. This condition was expressly disclosed in the joint venture note in the financial statements – see note 5, page 7 of the 31 December Interim Financial Report.

### ***Question Four***

*Having regard to BRL’s response to question 1:*

4.1 *Does BRL consider that there was a reasonable basis for BRL to disclose in the Results Presentation “consolidated cash” inclusive of 65% of the BT Mining cash as at the respective dates referred to in question 1, rather than cash and cash equivalents held by BRL as at the relevant date (‘BRL Cash’) (e.g., as at 31 December 2023, \$4,848,000 as reported in the Half Year Report statement of financial position)? Please explain the basis for BRL’s view.*

The use of “consolidated cash” as made in the 2024 First Half Results shows a combined operating view of the two separate entities – namely BRL and BTM - to the reader. This is presented on the basis of BRL and BTM being consolidated for accounting purposes given that BRL holds 65% of all shares in BTM. It is BRL’s view that that disclosure, which includes BTM’s cash balances, provides the reader with a deeper and more accurate understanding of the balance sheet of both of BRL and BTM, enabling the reader to obtain more meaningful information on the combined operations and assets of BRL and BTM.

4.2 *Does BRL consider that the use of the term “consolidated cash” to describe the aggregate of the BRL Cash and 65% of cash and cash equivalents held by BT Mining as at the respective dates referred to in question 1 was misleading or apt to cause confusion with IFRS financial information of BRL Cash, noting that BT Mining accounts are not consolidated with BRL’s accounts pursuant to applicable IFRS accounting standards. Please explain the basis for BRL’s view.*

No. BRL does not consider the term “consolidated cash” as used in the 2024 First Half Results Presentation to be misleading. The information was presented to show a combined operating view in respect of both BRL and BTM. As noted above and in the disclosure page of the 2024 First Half Result Presentation, it is made very clear to the reader that financial figures are consolidated as to 100% BRL and 65% in BTM, due to BRL’s 65% equity share in BTM.

4.3 Does BRL consider that the non-IFRS “consolidated cash” amounts disclosed in the Results Presentation as at the respective dates referred to in question 1 were presented and explained in a way that prevented this non-IFRS financial information from being misleading, having regard to ASIC’s guidance in RG 230? Please explain the basis for BRL’s view.

The financial figures disclosed in the 2024 First Half Results Presentation are consolidated as 100% for BRL and 65% for BTM. Further it is outlined in the financial statements that this consolidation is a non-IFRS measure that is simply intended to show the reader a combined operating view of BRL and BTM, see Financial & Operating Overview on page 4 & Additional Information on page 21 of the 31 December Interim Report. For information purposes, BRL will continue to ensure that all disclosures remain clear that the consolidated cash does not reflect IFRS reporting.

#### ***Question Five***

*Please confirm BRL is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.*

BRL confirms that it is complying with the Listing Rules, and in particular, Listing Rule 3.1.

#### ***Question Six***

*Please confirm that BRL’s responses to the above have been authorised and approved in accordance with its published continuous disclosure policy or otherwise by its board or an officer of BRL with delegated authority from the board to respond to ASX on disclosure matters.*

This release, and the responses to the questions above have been authorised and approved by the Board of Directors of BRL.

On behalf of the Board  
Yours sincerely

Larissa Brown  
Company Secretary



26 July 2024

Reference: 93796

Ms Larissa Brown  
Company Secretary  
Bathurst Resources Limited  
Level 12, 1 Willeston Street  
Wellington 6011

By email: larissa.brown@bathurst.co.nz

Dear Ms Brown

**Bathurst Resources Limited ('BRL'): General compliance - Query**

ASX refers to the following:

- A. BRL's interim financial report for the half year ended 31 December 2023 released on the ASX Market Announcements Platform on 29 February 2024 ('Half Year Report').
- B. The statement of financial position in the Half Year Report, disclosing that, as at 31 December 2023, BRL held:
  - 1.1 \$4,848,000 cash and cash equivalents; and
  - 1.2 \$258,490,000 interest in joint ventures.
- C. Note 5 titled 'Interest in joint ventures' of the notes to the financial statements in the Half Year Report ('Note 5') which (among other things):
  - 1.1 disclosed that, as at 31 December 2023, BRL held a \$239,876,000 interest in BT Mining Limited ('BT Mining'); and
  - 1.2 included an unaudited balance sheet for BT Mining, showing BT Mining had a cash balance at 31 December 2023 of \$167,269,000.
- D. The following information disclosed in Note 5 (emphasis added):

*"BRL holds a 65 per cent shareholding in BT Mining which owns the mining permits and licences as well as the mining assets at the Stockton mine (Buller Plateau in the South Island), and the Rotowaro and Maramarua mines in the North Island.*

*BRL considers BT Mining to be a joint venture. **This is because unanimous approval is required on activities that significantly affect BT Mining's operations. As such the investment in BT mining is accounted for using the equity method.***

- E. The BRL presentation titled '2024 First Half Results Presentation' released on MAP on 29 February 2024 ('Results Presentation'), which disclosed (among other things):
  - 1.1 "Consolidated cash" of NZD \$128.5m as at 31 January 2024 (including restricted term deposits) (see slide 3);
  - 1.2 H1 2024 "consolidated cash" of 131.8m (see slide 7), with the following footnote:

*"1. Consolidated 100% Bathurst and 65% BT Mining, as at 31 December 2023."*

F. ASIC Regulatory Guide 230: *Disclosing non-IFRS financial information* ('RG 230'), which includes (among other things) the following guidance on the disclosure of financial information that is presented other than in accordance with the accounting standards ('non-IFRS financial information').

- 1.1 *RG 230.53 There is a risk that non-IFRS financial information will be misleading unless it is appropriately presented and explained. There are a number of sections of the Corporations Act that deal with misleading information...*
- 1.2 *RG 230.55 Accounting standards are intended to ensure consistent and comparable reporting of historical financial information over time and between entities. It is reasonable for users of financial information to expect information to be presented in accordance with accounting standards. There is a risk that non-IFRS financial information will be misleading unless it is appropriately presented and explained....*
- 1.3 *RG 230.56 Table 2 sets out our [ASIC's] guidelines to help reduce the risk of non-IFRS financial information being misleading.*

**Table 2: Guidelines for presenting non-IFRS financial information**

<b>Guidelines</b>	<b>Explanation</b>
<i>Prominence</i>	<i>Non-IFRS financial information should be clearly labelled in a way that distinguishes it from the corresponding IFRS financial information. Any term used to describe the information should be appropriate given the nature of the information.</i>
<i>Appropriate label</i>	<i>The term or label should not be apt to cause confusion with IFRS financial information.</i>
<i>Calculation</i>	<i>A clear explanation should be provided about how the non-IFRS financial information is calculated.</i>
<i>Reconciliation</i>	<i>A reconciliation between the non-IFRS and IFRS financial information should be provided, separately itemising and explaining each significant adjustment. Where reconciling items are components of IFRS financial information, they should be capable of being reconciled to the financial report. Where a reconciling item cannot be extracted directly from the financial report, the reconciliation should show how the figure is calculated. Where comparative non-IFRS financial information is presented for a previous period, a reconciliation to the corresponding IFRS financial information should be provided for that previous period.</i>
<i>Why information is useful</i>	<i>A statement should be included disclosing the reasons why directors believe that presentation of the non-IFRS financial information is useful for investors to understand the entity's financial condition and results of operations. This statement should not be boilerplate, but be clear and understandable and specific to the non-IFRS financial information used, the entity, the nature of the business and industry, and the manner in which the non-IFRS financial information is assessed and applied to decisions....</i>
<i>Consistency</i>	<i>A consistent approach should be adopted from period to period. If there has been a change in approach from the previous period, an explanation about the nature of the change, the reasons for the change, and the financial impact of the change should be provided.</i>

<i>Adjustments</i>	<i>For each adjustment made to IFRS financial information, corresponding items should be adjusted in any comparative information.</i>
<i>Unbiased</i>	<i>Non-IFRS financial information should be unbiased and not used to avoid presenting 'bad news' to the market.</i>
<i>One-off items</i>	<i>Items that have occurred in the past or are likely to occur in a future period should not be described as 'one-off' or 'non-recurring'.</i>
<i>Audited or reviewed</i>	<i>A clear statement should be made about whether the non-IFRS financial information has been audited or reviewed in accordance with Australian Auditing Standards.</i>

### Request for information

In light of the information contained in the Half Year Report and Results Presentation, please respond to each of the following questions and requests for information:

1. As at each of the following dates, was 65% of the cash and cash equivalent assets then held by BT Mining (paragraph E) readily available for use by BRL:
  - 1.1 31 December 2023; and
  - 1.2 31 January 2024?
2. If the answer to question 1 is “yes”, please explain the basis for this answer.
3. If the answer to question 1 is “no”, please provide details of any conditions that would need to have been met and circumstances that would need to have occurred (including any approval that would have been required by BT Mining or any counterparty to the BT Mining joint venture) for the BT Mining cash to have been readily available for use by BRL?
4. Having regard to BRL’s response to question 1:
  - 4.1 Does BRL consider that there was a reasonable basis for BRL to disclose in the Results Presentation “consolidated cash” inclusive of 65% of the BT Mining cash as at the respective dates referred to in question 1, rather than cash and cash equivalents held by BRL as at the relevant date (‘BRL Cash’) (e.g., as at 31 December 2023, \$4,848,000 as reported in the Half Year Report statement of financial position)? Please explain the basis for BRL’s view.
  - 4.2 Does BRL consider that the use of the term “consolidated cash” to describe the aggregate of the BRL Cash and 65% of cash and cash equivalents held by BT Mining as at the respective dates referred to in question 1 was misleading or apt to cause confusion with IFRS financial information of BRL Cash, noting that BT Mining accounts are not consolidated with BRL’s accounts pursuant to applicable IFRS accounting standards. Please explain the basis for BRL’s view.
  - 4.3 Does BRL consider that the non-IFRS “consolidated cash” amounts disclosed in the Results Presentation as at the respective dates referred to in question 1 were presented and explained in a way that prevented this non-IFRS financial information from being misleading, having regard to ASIC’s guidance in RG 230? Please explain the basis for BRL’s view.
5. Please confirm that BRL is complying with the Listing Rules and, in particular, Listing Rule 3.1.
6. Please confirm that BRL’s responses to the questions above have been authorised and approved under its published continuous disclosure policy or otherwise by its board or an officer of BRL with delegated authority from the board to respond to ASX on disclosure matters.

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### **When and where to send your response**

This request is made under Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by no later than **5:00 PM AEST Friday, 2 August 2024**. You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, BRL's obligation is to disclose the information 'immediately'. This may require the information to be disclosed before the deadline set out in this paragraph and may require BRL to request a trading halt immediately.

Your response should be sent by e-mail to [ListingsComplianceSydney@asx.com.au](mailto:ListingsComplianceSydney@asx.com.au). It should not be sent directly to the ASX Market Announcements Office. This is to allow us to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Suspension**

If you are unable to respond to this letter by the time specified above, ASX will likely suspend trading in BRL's securities under Listing Rule 17.3.

### **Listing Rules 3.1 and 3.1A**

In responding to this letter, you should have regard to BRL's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*. It should be noted that BRL's obligation to disclose information under Listing Rule 3.1 is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

### **Release of correspondence between ASX and entity**

ASX reserves the right to release all or any part of this letter, your reply and any other related correspondence between us to the market under Listing Rule 18.7A.

Yours sincerely

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ASX Compliance