Rule 2.7, 3.10.3, 3.10.4, 3.10.5

Appendix 3B

New issue announcement, application for quotation of additional securities and agreement

Information or documents not available now must be given to ASX as soon as available. Information and documents given to ASX become ASX's property and may be made public.

Introduced 01/07/96 Origin: Appendix 5 Amended 01/07/98, 01/09/99, 01/07/00, 30/09/01, 11/03/02, 01/01/03, 24/10/05, 01/08/12

Name of entity

Bathurst Resources Limited

ABN

125 679 469

We (the entity) give ASX the following information.

Part 1 - All issues

You must complete the relevant sections (attach sheets if there is not enough space).

- 1 +Class of +securities issued or to be issued
- a) Lapse of unlisted option.
- b) Issue of unlisted options

(ISIN: AU000000BTU9)

- Number of *securities issued or to be issued (if known) or maximum number which may be issued
- a) 4,500,000 options lapse
- b) 2,000,000 options issued
- Principal terms of the *securities (eg, if options, exercise price and expiry date; if partly paid *securities, the amount outstanding and due dates for payment; if *convertible securities, the conversion price and dates for conversion)
- a) Lapse of 4,500,000 unlisted options with an exercise price of \$0.40 and an expiry date of 31 December 2013.
- b) Issue 2,000,000 unlisted options with an exercise price of \$0.38 and an expiry date of 29 August 2014, vesting upon the first 25,000 tonnes of coal being shipped from the Buller coal project.

⁺ See chapter 19 for defined terms.

4	Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?
	If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment
5	Issue price or consideration
6	Purpose of the issue (If issued as consideration for the acquisition of assets, clearly identify those assets)

a) n/a

b) Shares issued upon the exercise of unlisted options will rank equally with existing fully paid ordinary shares from the date of allotment

a) Nil

b) Nil

- on for the clearly
- a) Lapse of unlisted options on cessation of employment or contract with the Company.
- b) Issued of unlisted options to newly appointed senior management. Options will be issued in accordance with the terms and conditions of the Bathurst Employee and Key Contractor Option Scheme.

6a Is the entity an +eligible entity that has obtained security approval under rule 7.1A?

> If Yes, complete sections 6b - 6h in relation to the +securities the subject of this Appendix 3B, and comply with section 6i

No

6b The date the security holder resolution under rule 7.1A was passed

Not applicable

6c Number of +securities issued without security holder approval under rule 7.1

Not applicable

6d Number of *securities issued with security holder approval under rule 7.1A

Not applicable

⁺ See chapter 19 for defined terms.

6e Not applicable Number of +securities issued with security holder approval under rule 7.3, or another specific security holder approval (specify date of meeting) 6f Number of securities issued under Not applicable an exception in rule 7.2 6g If securities issued under rule Not applicable 7.1A, was issue price at least 75% of 15 day VWAP as calculated under rule 7.1A.3? Include the issue date and both values. Include the source of the VWAP calculation. 6h If securities were issued under rule Not applicable 7.1A for non-cash consideration, state date on which valuation of consideration was released to ASX Market Announcements Calculate the entity's remaining 6i Not applicable issue capacity under rule 7.1 and rule 7.1A – complete Annexure 1 and release to ASX Market Announcements 7 Dates of entering *securities into a) 3 September 2012 uncertificated holdings or despatch b) 3 September 2012 of certificates Number +Class 8 Number and +class 696,747,997 Fully paid ordinary shares of +securities quoted on (including the securities in section 2 if applicable)

⁺ See chapter 19 for defined terms.

9 Number and *class of all *securities not quoted on ASX (including the securities in section 2 if applicable)

Number	⁺ Class	
500,000	Options exercisable at 37.8 cents each expiring 31 October 2012	
500,000	Options exercisable at 37.8 cents each expiring 31 October 2013.	
666,667	Options exercisable at 15.5 cents each expiring 16 June 2013.	
15,000,000	Options exercisable at 10.8 cents each expiring 30 September 2013.	
14,344,109	Options exercisable at 36 cents each expiring 15 November 2013.	
1,000,000	Options exercisable at 16.8 cents each expiring 30 September 2013.	
1,000,000	Options exercisable at 21 cents each expiring 30 September 2013.	
10,950,000	Options exercisable at 40 cents each expiring 31 December 2013.	
11,250,000	Options exercisable at 40 cents each expiring 31 December 2013. Vest upon the first 25,000 tonnes of coal being shipped from the Buller coal project.	
2,000,000	Options exercisable at 85 cents each expiring 31 December 2013.	
2,000,000	Options exercisable at \$1.13 cents each expiring 31 December 2013.	
2,000,000	Options exercisable at 38 cents each expiring 29 August 2014. Vest upon the first 25,000 tonnes of coal being shipped from the Buller coal project.	

Dividend policy (in the case of a trust, distribution policy) on the increased capital (interests)

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⁺ See chapter 19 for defined terms.

Part 2 - Bonus issue or pro rata issue security 11 holder Is approval required? 12 Is the issue renounceable or nonrenounceable? 13 Ratio in which the +securities will be offered +Class of +securities to which the 14 offer relates 15 +Record date to determine entitlements 16 Will holdings on different registers (or subregisters) be aggregated for calculating entitlements? Policy for deciding entitlements in 17 relation to fractions 18 Names of countries in which the entity has +security holders who will not be sent new issue documents Note: Security holders must be told how their entitlements are to be dealt with. Cross reference: rule 7.7. 19 Closing date for receipt of acceptances or renunciations 20 Names of any underwriters 21 Amount of any underwriting fee or commission 22 Names of any brokers to the issue

broker to the issue

Fee or commission payable to the

23

⁺ See chapter 19 for defined terms.

Appendix 3B New issue announcement

24	Amount of any handling fee payable to brokers who lodge acceptances or renunciations on behalf of *security holders				
25	If the issue is contingent on +security holders' approval, the date of the meeting				
26	Date entitlement and acceptance form and prospectus or Product Disclosure Statement will be sent to persons entitled				
27	If the entity has issued options, and the terms entitle option holders to participate on exercise, the date on which notices will be sent to option holders				
28	Date rights trading will begin (if applicable)				
29	Date rights trading will end (if applicable)				
30	How do ⁺ security holders sell their entitlements <i>in full</i> through a broker?				
31	How do ⁺ security holders sell <i>part</i> of their entitlements through a broker and accept for the balance?				
32	How do *security holders dispose of their entitlements (except by sale through a broker)?				
33	⁺ Despatch date				
Part 3 - Quotation of securities You need only complete this section if you are applying for quotation of securities					
34	Type of securities (tick one)				
(a)	Securities described in Part 1				

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⁺ See chapter 19 for defined terms.

(b)		All other securities				
		Example: restricted securities at the end of the escrowed period, partly paid securities that become fully paid, employee incentive share securities when restriction ends, securities issued on expiry or conversion of convertible securities				
Entities that have ticked box 34(a)						
Additional securities forming a new class of securities						
Tick to documer		you are providing the information or				
35		If the ⁺ securities are ⁺ equity securities, the names of the 20 largest holders of the additional ⁺ securities, and the number and percentage of additional ⁺ securities held by those holders				
36		If the $^+$ securities are $^+$ equity securities, a distribution schedule of the additional $^+$ securities setting out the number of holders in the categories 1 - $1,000$ $1,001$ - $5,000$ $5,001$ - $10,000$ $10,001$ - $100,000$ $100,001$ and over				
37		A copy of any trust deed for the additional *securities				

⁺ See chapter 19 for defined terms.

Entities that have ticked box 34(b)					
38	Number of securities for which ⁺ quotation is sought				
39	Class of *securities for which quotation is sought				
40	Do the *securities rank equally in all respects from the date of allotment with an existing *class of quoted *securities?				
	If the additional securities do not rank equally, please state: • the date from which they do • the extent to which they participate for the next dividend, (in the case of a trust, distribution) or interest payment • the extent to which they do not rank equally, other than in relation to the next dividend, distribution or interest payment				
41	Reason for request for quotation now Example: In the case of restricted securities, end of restriction period (if issued upon conversion of another security, clearly identify that				
42	Number and ⁺ class of all ⁺ securities quoted on ASX (<i>including</i> the securities in clause 38)	Number	+Class		

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⁺ See chapter 19 for defined terms.

- ⁺Quotation of our additional ⁺securities is in ASX's absolute discretion. ASX may quote the ⁺securities on any conditions it decides.
- We warrant the following to ASX.
 - The issue of the +securities to be quoted complies with the law and is not for an illegal purpose.
 - There is no reason why those +securities should not be granted +quotation.
 - An offer of the ⁺securities for sale within 12 months after their issue will not require disclosure under section 707(3) or section 1012C(6) of the Corporations Act.

Note: An entity may need to obtain appropriate warranties from subscribers for the securities in order to be able to give this warranty

- Section 724 or section 1016E of the Corporations Act does not apply to any applications received by us in relation to any *securities to be quoted and that no-one has any right to return any *securities to be quoted under sections 737, 738 or 1016F of the Corporations Act at the time that we request that the *securities be quoted.
- If we are a trust, we warrant that no person has the right to return the *securities to be quoted under section 1019B of the Corporations Act at the time that we request that the *securities be quoted.
- We will indemnify ASX to the fullest extent permitted by law in respect of any claim, action or expense arising from or connected with any breach of the warranties in this agreement.
- We give ASX the information and documents required by this form. If any information or document not available now, will give it to ASX before *quotation of the *securities begins. We acknowledge that ASX is relying on the information and documents. We warrant that they are (will be) true and complete.

Sign here: Date: .3 September 2012

Company secretary

Print name: Laura McMahon Blechynden....

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⁺ See chapter 19 for defined terms.