



21 February, 2008

Dear Shareholder

Non-renounceable Entitlement Issue of Options

On 20 February 2008, Bathurst Resources Limited (**Company**) lodged a prospectus (**Prospectus**) with ASX Limited (**ASX**) and the Australian Securities & Investments Commission (**ASIC**) for a pro-rata non-renounceable rights issue of one (1) option exercisable at 25 cents on or before 31 December 2010 (**Option**) for every three (3) shares held by Shareholders registered at 5.00pm (WST) on Friday 29 February 2008 (**Record Date**) at an issue price of 1 cent per Option to raise up to \$70,000 (**Entitlements Issue**).

Fractional entitlements will be rounded down to the nearest whole Share. Shareholder approval is not required in relation to the Entitlements Issue.

A full copy of the Prospectus will be mailed to all Shareholders who hold shares on the Record Date. However, the Prospectus will not constitute an offer in any place in which, or to any person to whom, it would be unlawful to make such an offer. Accordingly, it is the responsibility of non-resident applicants to obtain all necessary approvals for the allotment and issue to them of Options pursuant to the Prospectus.

This Prospectus is available in electronic form on the ASX website at www.asx.com.au or the Company's website at www.bathurstresources.com.au

It is intended that the proceeds will be applied toward working capital and expenses of the issue.

Holders of Existing Options already on issue will be entitled to exercise their options prior to the Record Date in order to participate in the Entitlements Issue. Under the Offer a total of 7,000,000 New Options will be issued.

The quoted and unquoted securities on issue in the Company following completion of the Entitlements Issue, assuming all Existing Options are exercised prior to the Record Date, will be as follows:

The timetable for the issue is as follows:

Announcement of the issue and Lodgement of Prospectus with ASIC	20 February 2008
Letter sent to Shareholders advising of the terms of the Offer	21 February 2008
Shares quoted on an "ex" basis	25 February 2008
Record Date for determining Entitlements	29 February 2008
Prospectus sent to Shareholders	6 March 2008
Expected Closing Date	25 March 2008
Deferred settlement trading begins	26 March 2008
Notification of shortfall	30 March 2008
Despatch of holder statements	2 April 2008

If you have any questions please do not hesitate to contact the undersigned on 9482-0500.

Kind Regards



Morgan Barron
Company Secretary
Bathurst Resources Ltd

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