

**BATHURST RESOURCES LTD**

**ACN 125 679 469**

**NOTICE OF EXTRAORDINARY  
GENERAL MEETING  
AND  
EXPLANATORY MEMORANDUM  
TO SHAREHOLDERS**



**FOR AN EXTRAORDINARY GENERAL MEETING OF SHAREHOLDERS TO BE HELD ON  
17 JULY 2009 AT THE MARQUE HOTEL PERTH,  
24 MOUNT STREET, PERTH, WESTERN AUSTRALIA  
AT 9.00 AM**

*You are encouraged to attend the meeting, but if you cannot, you are requested to complete and return the enclosed Proxy Form without delay to  
PO Box 902, West Perth, Western Australia, 6872,  
or by facsimile on facsimile number +618 9482 0505.*

**NOTICE IS HEREBY GIVEN** that an extraordinary meeting of the members of BATHURST RESOURCES LTD ("**Bathurst**" or "**the Company**") will be held on the date and at the location and time specified below:

**DATE:** 17 July 2009

**LOCATION:** The Marque Hotel, 24 Mount Street, Perth, Western Australia

**TIME:** 9.00 am

**BUSINESS:** The business to be transacted at the Extraordinary Meeting is the proposal of the Resolutions set out below:

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**NOTICE OF MEETING**

**RESOLUTION 1 ~ RATIFICATION OF SHARE ISSUE**

That, to consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of ASX Listing Rule 7.4 and for all other purposes, approval is given for the Directors to ratify the allotment and issue of 8,652,500 Shares on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who participated in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 2 ~ APPROVAL FOR SHARE ISSUE**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of ASX Listing Rule 7.1 and for all other purposes approval is given for the Directors to allot and issue up to 41,347,500 Shares on the terms and conditions set out the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 3 ~ ISSUE OF SHARES TO HAMISH BOHANNAN – CONVERSION OF DIRECTOR LOAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue Shares to Hamish Bohannan (or his nominee) in consideration for conversion of a director loan to the Company on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Hamish Bohannan (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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**NOTICE OF MEETING**

**RESOLUTION 4 ~ ISSUE OF SHARES TO JOHN HANNAFORD – CONVERSION OF DIRECTOR LOAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue Shares to John Hannaford (or his nominee) in consideration for conversion of a director loan to the Company on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr John Hannaford (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 5 ~ ISSUE OF SHARES TO BILLY SHELTON – CONVERSION OF DIRECTOR LOAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue Shares to Billy Shelton (or his nominee) in consideration for conversion of a director loan to the Company on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Billy Shelton (or his nominee) or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 6 ~ ISSUE OF OPTIONS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 4,000,000 Options on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by any person who may participate in the proposed issue and a person who might obtain a benefit, except a benefit solely in the capacity of a holder of ordinary securities, and any associates of those persons. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

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ACN 125 679 469

**NOTICE OF MEETING**

**RESOLUTION 7 ~ DIRECTOR PARTICIPATION IN PLACEMENT – MR HAMISH BOHANNAN**

That, subject to Resolution 2, being passed to consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolution 2, and for the purpose of ASX Listing Rule 10.11 and section 208 of the Corporations Act, and for all other purposes, approval is given for Mr Hamish Bohannan, being a Director of the Company, to participate in the issue of Shares pursuant to Resolution 2 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Hamish Bohannan or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 8 ~ DIRECTOR PARTICIPATION IN PLACEMENT – MR RICHARD MONTI**

That, subject to Resolution 2, being passed to consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolution 2, and for the purpose of ASX Listing Rule 10.11 and section 208 of the Corporations Act, and for all other purposes, approval is given for Mr Richard Monti, being a Director of the Company, to participate in the issue of Shares pursuant to Resolution 2 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Richard Monti or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 9 ~ DIRECTOR PARTICIPATION IN PLACEMENT – MR CHARLES GRIFFITH**

That, subject to Resolution 2, being passed to consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolution 2, and for the purpose of ASX Listing Rule 10.11 and section 208 of the Corporations Act, and for all other purposes, approval is given for Mr Charles Griffith, being a Director of the Company, to participate in the issue of Shares pursuant to Resolution 2 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Charles Griffith or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**BATHURST RESOURCES LTD**

ACN 125 679 469

**NOTICE OF MEETING**

**RESOLUTION 10 ~ DIRECTOR PARTICIPATION IN PLACEMENT – MR BILLY SHELTON**

That, subject to Resolution 2, being passed to consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, subject to the passing of Resolution 2, and for the purpose of ASX Listing Rule 10.11 and section 208 of the Corporations Act, and for all other purposes, approval is given for Mr Billy Shelton, being a Director of the Company, to participate in the issue of Shares pursuant to Resolution 2 on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Billy Shelton or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 11 ~ APPROVAL FOR ISSUE OF SHARES UNDER SHARE PURCHASE PLAN**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purpose of ASX Listing Rule 7.1 and 10.11 and for all other purposes, approval is given for the Directors to allot and issue up to 17,305,000 Shares on the terms and conditions set out in the Explanatory Statement"*.

**RESOLUTION 12 ~ ISSUE OF SHARES TO BILLY SHELTON – FORGIVENESS OF DEBT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue Shares to Billy Shelton (or his nominee) in consideration for the forgiveness of debts of the Company on the terms and conditions set out in the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Billy Shelton or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 13 ~ ISSUE OF SHARES TO CHARLES GRIFFITH – FORGIVENESS OF DEBT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That, for the purposes of Section 208 of the Corporations Act, ASX Listing Rule 10.11 and for all other purposes, approval is given for the Directors to allot and issue Shares to Charles Griffith (or his nominee) in consideration for the forgiveness of debts of the Company on the terms and conditions set out in the Explanatory Statement."*

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**NOTICE OF MEETING**

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by Mr Charles Griffith or any of his associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**RESOLUTION 14 ~ ISSUE OF SHARES – FORGIVENESS OF DEBT**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

*"That for the purposes of ASX Listing Rule 7.1 and for all other purposes, approval is given for the Directors to allot and issue up to 12,500,000 Shares in consideration for the forgiveness of debts of the terms and conditions set out the Explanatory Statement."*

**Voting Exclusion:** The Company will disregard any votes cast on this Resolution by a person who may participate in the issue and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

**BY ORDER OF THE BOARD**



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**RICHARD MONTI**  
Chairman

**DATED** 15 June 2009.

**NOTES**

A member entitled to vote at this Extraordinary Meeting is entitled to appoint a proxy to attend and vote for the member at the Extraordinary Meeting. A proxy need not be a member. If the member is entitled to cast 2 or more votes at the Extraordinary Meeting the member may appoint 2 proxies. If a member appoints 2 proxies and the appointment does not specify the proportion or number of the members votes each proxy may exercise, each proxy may exercise half of the votes. A proxy form is attached at the back of this booklet.

# **EXPLANATORY STATEMENT TO SHAREHOLDERS**

## **BATHURST RESOURCES LIMITED**

**(ACN 125 679 469)**

### **EXPLANATORY STATEMENT**

This Explanatory Statement has been prepared for the information of the Shareholders of the Company in connection with the business to be conducted at the General Meeting to be held at 9.00am (WST) on 17 July 2009 at The Marque Hotel, 24 Mount Street, Perth, Western Australia.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

**EXPLANATORY MEMORANDUM  
TO SHAREHOLDERS**

**1. RESOLUTION 1 – RATIFICATION OF TRANCHE 1 SHARE ISSUE**

**1.1 General**

On 1 June 2009, the Company announced it had agreed to issue a total of up to 50,000,000 Shares at 5 cents per share. The Shares were to be issued in two tranches:

- (a) a placement of 8,652,500 Shares at \$0.05 to raise \$432,625 before costs (within the Company's 15% share issue capacity) - which took place in June 2009 (**Tranche 1 Shares**); and
- (b) a placement of up to 41,347,500 Shares at \$0.05 to raise up to \$2,067,375 before costs - subject to shareholder approval (**Tranche 2 Shares**).

The Tranche 1 Shares were issued and allotted in June 2009, to sophisticated investors, existing Shareholders and other clients of Triple C Consulting and Financial Services. None of the allottees were related parties of the Company. Resolution 1 seeks Shareholder ratification pursuant to ASX Listing Rule 7.4 for the issue of those Tranche 1 Shares (**Share Ratification**). The Company has also agreed to issue 4,000,000 Options to Triple C Consulting and Financial Services in conjunction with the placement under Resolutions 1 and 2 (**Consultant Options**). Please see Section 4 below for more information.

ASX Listing Rule 7.1 provides that a company must not, subject to specified exceptions, issue or agree to issue during any 12 month period any equity securities, or other securities with rights to conversion to equity (such as an option), if the number of those securities exceeds 15% of the number of securities in the same class on issue at the commencement of that 12 month period.

ASX Listing Rule 7.4 sets out an exception to ASX Listing Rule 7.1. It provides that where a company in general meeting ratifies the previous issue of securities made pursuant to ASX Listing Rule 7.1 (and provided that the previous issue did not breach ASX Listing Rule 7.1) those securities will be deemed to have been made with shareholder approval for the purpose of ASX Listing Rule 7.1.

By ratifying this issue, the Company will retain the flexibility to issue equity securities in the future up to the 15% annual placement capacity set out in ASX Listing Rule 7.1 without the requirement to obtain prior Shareholder approval.

**1.2 Technical Information required by ASX Listing Rule 7.4:**

Pursuant and in accordance with ASX Listing Rule 7.5, the following information is provided in relation to the Share Ratification:

- (a) 8,652,500 Tranche 1 Shares were allotted;
- (b) the issue price was \$0.05 per Tranche 1 Share;
- (c) the Tranche 1 Shares were all fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (d) the Tranche 1 Shares were allotted and issued to clients of Triple C Consulting and Financial Services; and

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**EXPLANATORY MEMORANDUM  
TO SHAREHOLDERS**

(e) the funds raised from this issue were used for working capital and acquisition opportunities in the USA.

**Other:**

The Directors recommend that shareholders vote in favour of Resolution 1.

**2. RESOLUTION 2 – APPROVAL FOR TRANCHE 2 SHARES ISSUE**

**2.1 General**

Resolution 2 seeks Shareholders approval for the allotment and issue of 41,347,500 Tranche 2 Shares at an issue price of \$0.05 per Tranche 2 Share (**Tranche 2 Share Placement**).

With the exception of the Tranche 2 Shares proposed to be issued to the Directors (or their nominees) for which Shareholder approval is sought under Resolutions 7 to 10, none of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule is set out in Section 1.1 above.

The effect of Resolution 2 will be to allow the Directors to issue the Tranche 2 Shares pursuant to the Tranche 2 Share Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

**2.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Tranche 2 Share Placement:

- (a) the maximum number of Tranche 2 Shares to be issued is 41,347,500;
- (b) the Tranche 2 Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.05 per Tranche 2 Share;
- (d) with the exception of the Tranche 2 Shares proposed to be issued to the Directors (or their nominees) for which Shareholder approval is sought under Resolutions 7 to 10, the Tranche 2 Shares will be allotted and issued to clients of Triple C Consulting and Financial Services, and other sophisticated investors, none of whom are related parties;
- (e) the Tranche 2 Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) the Company intends to use the funds raised from the Tranche 2 Share Placement towards working capital purpose and to pursue acquisition opportunities in the USA.

**Other:**

The Directors recommend that shareholders vote in favour of Resolution 2.

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ACN 125 679 469

**EXPLANATORY MEMORANDUM  
TO SHAREHOLDERS**

**3. RESOLUTIONS 3, 4 & 5 – ISSUE OF SHARES TO HAMISH BOHANNAN, BILLY SHELTON AND JOHN HANNAFORD – CONVERSION OF DIRECTOR LOANS**

**3.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue Shares at a price of \$0.05 to Mr Hamish Bohannan, Mr John Hannaford and Mr Billy Shelton (or their nominees) (**Related Parties**) on the terms and conditions set out in 3.2 below.

By way of example, the outstanding loan balances and the effect of conversion at 30 April 2009 would be as follows:

<b>Director</b>	<b>Outstanding loan balance at 30 April 2009 (A\$)</b>	<b>Number of Shares at \$0.05 per share</b>
Mr Hamish Bohannan	\$154,374	3,087,482
Mr John Hannaford	\$157,761	3,155,225
Mr Billy Shelton	\$169,015 <sup>1</sup>	3,380,298
<b>Total</b>	<b>\$481,150</b>	<b>9,623,005</b>

<sup>1</sup> as this loan is denominated in US dollars, an exchange rate of AUD:USD0.7265 for 30 April 2009 has been used for the purpose of calculating the amount of Shares to be issued.

The Company is seeking approval for the number of Shares to be issued to the Related Parties pursuant to section 3.2(b) below, to account for fluctuations in the outstanding loan balance from 30 April 2009 to the date of conversion. The Directors will be issued Shares at a price of \$0.05, being the price at which Shares are to be issued under the Placement and Share Purchase Plan (subject to ASIC and ASX approval) announced on 1 June 2009.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The issue of Shares to the Related Parties requires the Company to obtain Shareholder approval because the issue of Shares constitutes giving a financial benefit and as Directors or previous Directors within the last 6 months from the date of this General Meeting, Mr Hamish Bohannan, Mr John Hannaford and Mr Billy Shelton are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Shares to the Related Parties.

**EXPLANATORY MEMORANDUM  
TO SHAREHOLDERS**

**3.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares:

- (a) the related parties are Mr Hamish Bohannon, Mr John Hannaford and Mr Billy Shelton and they are related parties by virtue of being Directors or previous Directors within 6 months of the date of this General Meeting;
- (b) the maximum number of Shares (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
  - (i) 3,300,000 Shares to Mr Hamish Bohannon (or his nominee) at a price of \$0.05 per Share;
  - (ii) 3,300,000 Shares to Mr John Hannaford (or his nominee) at a price of \$0.05 per Share; and
  - (iii) 3,500,000 Shares to Mr Billy Shelton (or his nominee) at a price of \$0.05 per Share;
- (c) the Shares will be granted to the Related Parties no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) no funds will be raised from the issue of the Shares as the Shares will be issued in satisfaction of the repayment of the loans from each of the Related Parties to the Company;
- (e) the relevant interests of the Related Parties in securities of the Company are set out below;

	<b>Shares</b>	<b>Options</b>
Mr Hamish Bohannon	545,000	2,400,000 <sup>1</sup>
Mr John Hannaford	1,675,000	2,064,999 <sup>2</sup>
Mr Billy Shelton	10,666,667	-
<b>TOTAL</b>	<b>12,886,667</b>	<b>4,464,999</b>

<sup>1</sup> 2,400,000 Options exercisable at \$0.42 each on or before 1 September 2011.

<sup>2</sup> 444,999 listed Options exercisable at \$0.25 each on or before 31 December 2010 and 1,620,000 unlisted Options exercisable at \$0.25 each on or before 31 December 2010.

- (f) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

<b>Related Party</b>	<b>Current Financial Year*</b>	<b>Previous Financial Year</b>
Mr Hamish Bohannon	\$262,433 <sup>1</sup>	N/A
Mr John Hannaford	\$209,414 <sup>2</sup>	\$65,806
Mr Billy Shelton	A\$19,417 director fees US\$20,000 legal fees	N/A

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\* to 31 May 2009.

<sup>1</sup> Under a letter of employment between the Company and Mr Hamish Bohannan, Mr Hamish Bohannan is employed as Managing Director of the Company and receives a salary of \$350,000 per annum plus 9% superannuation.

<sup>2</sup> Amount includes payments made to Ventnor Capital Pty Ltd, a company in which Mr Hannaford is a shareholder and director, for the provision of serviced offices of \$55,000 (2008: \$32,097), company secretarial services of \$55,000 (2008: \$32,097), CFO services of \$22,500 (2008: Nil), financial administration of \$45,114 (2008: \$12,487) and executive fees of \$10,000(2008: Nil). Directors fees totalling \$21,800 (2008: \$17,493) were paid directly to Mr Hannaford during the period. Mr Hannaford resigned as a director on 16 February 2009.

(g) if Resolutions 1 to 5 and 7 to 14 are approved, a total of up to 102,605,000 Shares would be allotted and issued. This will increase the number of Shares on issue from 57,683,334 to 160,288,334. Assuming that no Options are exercised and no other Shares (other than pursuant to Resolutions 1 to 5 and 7 to 14, with directors taking up the maximum 300,000 Shares in the Share Purchase Plan as per Resolution 11) are issued, the dilutionary effect on existing Shareholders would be as follows:

Related Party	Issued Shares at date of Notice of Meeting	Issued Shares including Tranche 1 Shares under Resolution 1 and Tranche 2 Shares under Resolution 2 (including Director Participation of 1,500,000 shares in Tranche 2 Placement)	Maximum number of Shares Issued to Directors under Resolutions 3, 4 and 5	Issued Shares if all Resolutions approved	Dilutionary effect of issue of Shares issued to Directors under Resolutions 3, 4 and 5	Dilutionary effect of issue of Shares if all Resolutions are approved
Mr Hamish Bohannan	545,000	2,045,000	3,300,000	5,645,000	2.1%	3.2%
Mr John Hannaford	1,675,000	1,675,000	3,300,000	5,275,000	2.1%	2.2%
Mr Billy Shelton	10,666,667	12,166,667	3,500,000	28,166,667	2.2%	10.9%
<b>TOTAL</b>	<b>12,886,667</b>	<b>15,886,667</b>	<b>10,100,000</b>	<b>39,086,667</b>	<b>6.4%</b>	<b>16.3%</b>

(h) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	Price	Date
Highest	0.51	16 July 2008
Lowest	0.02	3 March 2009 to 13 March 2009
Last	0.10	12 June 2009

(i) the primary purpose of the issue of Shares to the Related Parties is to provide cost effective consideration for conversion of directors loans. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed;

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- (j) Mr Hamish Bohannon declines to make a recommendation to Shareholders in relation to Resolution 3 due to his material personal interest in the outcome of Resolution 3. The other Directors, who do not have a material interest in the outcome of Resolutions 3, recommend that Shareholders vote in favour of Resolutions 3. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 3; and
- (k) Mr Billy Shelton declines to make a recommendation to Shareholders in relation to Resolutions 5 due to his material personal interest in the outcome of Resolution 5. The other Directors, who do not have a material interest in the outcome of Resolution 5, recommend that Shareholders vote in favour of Resolution 5. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 5.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

#### **4. RESOLUTION 6 - ISSUE OF OPTIONS TO TRIPLE C CONSULTING AND FINANCIAL SERVICES**

##### **4.1 General**

As discussed in section 1 of this Explanatory Statement, the Company has agreed to issue to Triple C Consulting and Financial Services 4,000,000 Consultant Options subject to Shareholder approval.

Resolution 6 seeks Shareholder approval for the allotment and issue of 4,000,000 Options (**Option Placement**).

A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 6 will be to allow the Directors to issue the Options pursuant to the Options Placement during the period of 3 months after the Annual General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

##### **4.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Option Placement:

- (a) the maximum number of Consultant Options to be granted is 4,000,000;
- (b) the Consultant Options will be issued no later than 3 months after the date of the Annual General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the Consultant Options will be issued for nil cash consideration;
- (d) the Consultant Options will be allotted and issued to nominees of Triple C Consulting and Financial Services who is not a related party of the Company;
- (e) the Consultant Options will be issued on the terms and conditions set out in Schedule 1; and

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- (f) no funds will be raised from the Option Placement as the Consultant Options are being issued for nil consideration in conjunction with the placement of shares under Resolutions 1 and 2.

**5. RESOLUTIONS 7 TO 10 - DIRECTORS PARTICIPATION IN PLACEMENT**

**5.1 General**

Resolutions 7 to 10 seeks Shareholder approval for the participation of Mr Hamish Bohannon, Mr Richard Monti, Mr Charles Griffith and Mr Billy Shelton (or their nominees) (**Related Parties**) in the issue of Shares pursuant to Resolution 2 on the terms and conditions set out below.

For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
  - (b) give the benefit within 15 months following such approval,
- unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The grant of the Shares to the Related Parties requires the Company to obtain Shareholder approval because the grant of Shares constitutes giving a financial benefit and as Directors, Mr Hamish Bohannon, Mr Richard Monti, Mr Charles Griffith and Mr Billy Shelton are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of Shares to the Related Parties.

**5.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed grant of Tranche 2 Shares:

- (a) the related parties are Mr Hamish Bohannon, Mr Richard Monti, Mr Charles Griffith and Mr Billy Shelton and they are related parties by virtue of being Directors;
- (b) the maximum number of Tranche 2 Shares (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
  - (i) 1,500,000 Tranche 2 Shares to Mr Hamish Bohannon;
  - (ii) 1,500,000 Tranche 2 Shares to Mr Richard Monti;
  - (iii) 1,500,000 Tranche 2 Shares to Mr Charles Griffith; and
  - (iv) 1,500,000 Tranche 2 Shares to Mr Billy Shelton;

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- (c) the Tranche 2 Shares will be granted to the Related Parties no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) the issue price of the Tranche 2 Shares will be \$0.05 per Tranche 2 Share;
- (e) the Tranche 2 Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares;
- (f) the Tranche 2 Shares pursuant to Resolution 2 will be offered pursuant to a prospectus to be issued by the Company. The prospectus will offer Shares to the existing Shareholders of the Company, the general public, and, subject to the passing of Resolution 7 to 10, the Directors of the Company;
- (g) the relevant interests of the Related Parties in securities of the Company are set out below;

<b>Related Party</b>	<b>Shares</b>	<b>Options</b>
Mr Hamish Bohannon	545,000	2,400,000 <sup>1</sup>
Mr Richard Monti	1,608,483	2,051,666 <sup>2</sup>
Mr Charles Griffith	-	-
Mr Billy Shelton	10,666,667	-
<b>TOTAL</b>	<b>12,820,150</b>	<b>4,451,666</b>

<sup>1</sup> 2,400,000 Options exercisable at \$0.42 each on or before 1 September 2011.

<sup>2</sup> 2,051,666 Options exercisable at \$0.25 each on or before 31 December 2010.

- (h) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

<b>Related Party</b>	<b>Current Financial Year*</b>	<b>Previous Financial Year**</b>
Mr Hamish Bohannon	\$262,433	N/A
Mr Richard Monti	\$214,864 <sup>1</sup>	\$94,173
Mr Charles Griffith	\$10,000	N/A
Mr Billy Shelton	A\$19,417 director fees US\$20,000 legal fees	N/A

\* to 31 May 2009

\*\* Bathurst listed on ASX on 17 December 2007 and majority of expense is pro-rata from this date.

<sup>1</sup> Amount includes payments made to Ventnor Capital Pty Ltd, a company in which Mr Monti is a shareholder and director, for the provision of serviced offices of \$55,000 (2008: \$32,097), company secretarial services of \$55,000 (2008: \$32,097), CFO services of \$22,500 (2008: Nil),

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financial administration of \$45,114 (2008: \$12,487) and executive fees of \$10,000(2008: Nil).  
Directors fees totalling \$27,250 (2008: \$17,493) were paid directly to Mr Monti during the period.

- (i) if the Tranche 2 Shares granted to the Related Parties are issued, a total of 6,000,000 Shares would be allotted and issued. Assuming that no Options are exercised and no other Shares issued (other than pursuant to Resolutions 1 to 5 and 7 to 14), the number of Shares on issue will increase from 57,683,334 to 160,288,334 with the effect that the shareholding of existing Shareholders would be diluted as follows:

<b>Related Party</b>	<b>Issued Shares at date of this Notice of Meeting (including Tranche 1 Shares issued under Resolution 1, Tranche 2 Shares excluding Director Participation and Shares issued pursuant to Resolutions 3 to 5)</b>	<b>Tranche 2 Shares issued to Related Parties</b>	<b>Dilutionary effect upon issue of Tranche 2 Shares to Related Parties</b>
Mr Hamish Bohannan	3,845,000	1,500,000	0.94%
Mr Richard Monti	1,638,483	1,500,000	0.94%
Mr Charles Griffith	-	1,500,000	0.94%
Mr Billy Shelton	14,166,667	1,500,000	0.94%
<b>TOTAL</b>	<b>19,650,150</b>	<b>6,000,000</b>	<b>3.76%</b>

- (j) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out in Section 3.2 above;
- (k) the Company intends to use funds raised from the issue for the reasons set out in Section 2.2 above;
- (l) Mr Hamish Bohannan declines to make a recommendation to Shareholders in relation to Resolution 7 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 7, recommend that Shareholders vote in favour of Resolution 7. The Board (other than Mr Hamish Bohannan) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution;
- (m) Mr Richard Monti declines to make a recommendation to Shareholders in relation to Resolution 8 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 8, recommend that Shareholders vote in favour of Resolution 8. The Board (other than Mr Richard Monti) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution;

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- (n) Mr Charles Griffith declines to make a recommendation to Shareholders in relation to Resolution 9 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 9, recommend that Shareholders vote in favour of Resolution 9. The Board (other than Mr Charles Griffith) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution; and
- (o) Mr Billy Shelton declines to make a recommendation to Shareholders in relation to Resolution 10 due to his material personal interest in the outcome of the Resolution. The other Directors, who do not have a material interest in the outcome of Resolution 10, recommend that Shareholders vote in favour of Resolution 10. The Board (other than Mr Billy Shelton) is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass the Resolution.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Director Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue of Director Shares to the Related Parties will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

**6. RESOLUTION 11 - APPROVAL FOR ISSUE OF SHARES UNDER SHARE PURCHASE PLAN**

**6.1 Background**

On 1 June 2009, the Company announced that it would offer Shareholders the opportunity to subscribe for up to \$15,000 worth of the Shares at a discounted issue price to the prevailing market price pursuant to a Share purchase plan (Share Purchase Plan). Each Shareholder holding Shares on the record date of the Share Purchase Plan will receive a letter and application form from the Company setting out the full terms of the offer.

As announced on 1 June 2009, the Board has adopted the Share Purchase Plan to raise funds which will be used for working capital purposes to continue to streamline operations at its operating coal mines in Kentucky USA and assess US acquisition opportunities.

Resolution 11 seeks Shareholder approval for the allotment and issue of up to 17,305,000 Shares pursuant to the Share Purchase Plan.

Shareholder approval is required pursuant to ASX Listing Rules 7.1 as the offer represents greater than 15% of the Company's issued capital and the Share Purchase Plan does not come within Exception 15 to ASX Listing Rule 7.2. A summary of ASX Listing Rule 7.1 is set out in Section 1.1 above.

The effect of Resolution 11 will be to allow the Directors to issue the Shares pursuant to the Share Purchase Plan during the period of three months after the General Meeting (one month in the case of related parties) (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

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The Company has applied for and obtained relief from ASIC to increase the normal monetary limit under the Share Purchase Plan from \$5,000 to \$15,000. The Company has also applied for and obtained a waiver from ASX Listing Rule 7.3.8 to remove the voting exclusions in relation to the approval of the Share Purchase Plan and a waiver from Listing Rule 10.11 for the explicit approval for eligible Directors to participate in the Share Purchase Plan on the same terms as the other shareholders. The eligible Directors have indicated their intent to participate in the Share Purchase Plan.

**6.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Share Placement:

- (a) the maximum number of Shares to be issued is 17,305,000;
- (b) the allottees of the Shares will include the existing Directors with a registered address in Australia or New Zealand who may take up their full entitlement (300,000 Shares each);
- (c) the Shares will be issued no later than 3 months after the date of the General Meeting (one month in the case of the related parties) (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (d) the issue price will be \$0.05 per Share;
- (e) the Shares will be offered under the Share Purchase Plan, the Directors will determine whether and to whom the shortfall Shares will be issued. The issue price of Shares under the shortfall offer will be \$0.05 each;
- (f) the Shares will be offered under the Share Purchase Plan to all Shareholders with a registered address in Australia or New Zealand holding Shares on the Record Date;
- (g) the Shares issued will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (h) the Company intends to use the funds raised under the Share Purchase Plan for working capital purposes to continue to streamline operations at its operating coal mines in Kentucky USA and assess US acquisition opportunities.

**7. RESOLUTIONS 12 & 13 – ISSUE OF SHARES TO BILLY SHELTON AND CHARLES GRIFFITH – FORGIVENESS OF DEBT**

**7.1 General**

The Company has agreed, subject to obtaining Shareholder approval, to allot and issue Shares at a price of \$0.05 to Mr Billy Shelton and Mr Charles Griffith (or their nominees) (**Related Parties**) on the terms and conditions set out in 7.2 below.

The Company is seeking approval for the number of Shares to be issued to the Related Parties pursuant to section 7.2(b) below, in consideration for amounts owing to the Related Parties for fees and other liabilities. The Related Parties will be issued Shares at a price of \$0.05, being the price at which Shares are to be issued under the Placement and Share Purchase Plan (subject to ASIC and ASX approval) announced on 1 June 2009.

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For a public company, or an entity that the public company controls, to give a financial benefit to a related party of the public company, the public company or entity must:

- (a) obtain the approval of the public company's members in the manner set out in Sections 217 to 227 of the Corporations Act; and
- (b) give the benefit within 15 months following such approval,

unless the giving of the financial benefit falls within an exception set out in Sections 210 to 216 of the Corporations Act.

In addition, ASX Listing Rule 10.11 also requires shareholder approval to be obtained where an entity issues, or agrees to issue, securities to a related party, or a person whose relationship with the entity or a related party is, in ASX's opinion, such that approval should be obtained unless an exception in ASX Listing Rule 10.12 applies.

The issue of Shares to the Related Parties requires the Company to obtain Shareholder approval because the issue of Shares constitutes giving a financial benefit and as Directors, Mr Billy Shelton and Mr Charles Griffith are related parties of the Company.

It is the view of the Directors that the exceptions set out in Sections 210 to 216 of the Corporations Act and ASX Listing Rule 10.12 do not apply in the current circumstances. Accordingly, Shareholder approval is sought for the grant of the Shares to the Related Parties.

**7.2 Shareholder Approval (Chapter 2E of the Corporations Act and Listing Rule 10.11)**

Pursuant to and in accordance with the requirements of Sections 217 to 227 of the Corporations Act and ASX Listing Rule 10.13, the following information is provided in relation to the proposed issue of Shares:

- (a) the related parties are Mr Billy Shelton and Mr Charles Griffith and they are related parties by virtue of being Directors;
- (b) the maximum number of Shares (being the nature of the financial benefit being provided) to be granted to the Related Parties is:
  - (i) 12,500,000 Shares to Mr Billy Shelton (or his nominee) at a price of \$0.05 per Share in consideration for up to \$625,000 of debt; and
  - (ii) 200,000 Shares to Mr Charles Griffith (or his nominee) at a price of \$0.05 per share in consideration for up to \$10,000 of debt;
- (c) the Shares will be granted to the Related Parties no later than 1 month after the date of the General Meeting (or such later date as permitted by any ASX waiver or modification of the ASX Listing Rules) and it is anticipated the Shares will be issued on one date;
- (d) no funds will be raised from the issue of the Shares as the Shares will be issued in satisfaction of the repayment of the loans from each of the Related Parties to the Company;
- (e) the relevant interests of the Related Parties in securities of the Company are set out below;

	<b>Shares</b>	<b>Options</b>
Mr Billy Shelton	10,666,667	Nil
Mr Charles Griffith	Nil	Nil
<b>TOTAL</b>	<b>10,666,667</b>	<b>Nil</b>

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- (f) the remuneration and emoluments from the Company to the Related Parties for both the current financial year and previous financial year are set out below:

<b>Related Party</b>	<b>Current Financial Year*</b>	<b>Previous Financial Year</b>
Mr Billy Shelton	A\$19,417 director fees US\$20,000 legal fees	N/A
Mr Charles Griffith	\$10,000	N/A

\* to 31 May 2009.

- (g) if Resolutions 12 and 13 are approved, a total of up to 12,700,000 Shares would be allotted and issued. Assuming that no Options are exercised and no other Shares (other than pursuant to the Resolutions of this meeting) are issued, the number of Shares on issue will increase from 57,683,334 to 166,288,334. The dilutionary effect on existing Shareholders would be as follows:

<b>Related Party</b>	<b>Issued Shares at date of Notice of Meeting</b>	<b>Maximum number of Shares Issued to Directors under Resolutions 12 &amp; 13</b>	<b>Issued Shares if all Resolutions approved</b>	<b>Dilutionary effect of issue of Shares if Resolutions 12 &amp; 13 are approved</b>	<b>Dilutionary effect of issue of Shares if all Resolutions are approved</b>
Mr Billy Shelton	10,666,667	12,500,000	28,166,667	7.8%%	10.9%
Mr Charles Griffith	-	200,000	1,700,000	0.1%	1.1%
<b>TOTAL</b>	<b>10,666,667</b>	<b>12,700,000</b>	<b>29,866,667</b>	<b>7.9%</b>	<b>12.0%</b>

- (h) the trading history of the Shares on ASX in the 12 months before the date of this Notice of General Meeting is set out below:

	<b>Price</b>	<b>Date</b>
Highest	0.51	16 July 2008
Lowest	0.02	3 March 2009 to 13 March 2009
Last	0.10	12 June 2009

- (i) the primary purpose of the issue of Shares to the Related Parties is to provide cost effective consideration for forgiveness of debt. The Board does not consider that there are any significant opportunity costs to the Company or benefits foregone by the Company in issuing the Shares upon the terms proposed;
- (j) Mr Billy Shelton declines to make a recommendation to Shareholders in relation to Resolution 12 due to his material personal interest in the outcome of Resolution 12. The other Directors, who do not have a material interest in the outcome of Resolutions 12, recommend that Shareholders vote in favour of Resolution 12. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 12; and

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- (k) Mr Charles Griffith declines to make a recommendation to Shareholders in relation to Resolution 13 due to his material personal interest in the outcome of Resolution 13. The other Directors, who do not have a material interest in the outcome of Resolution 13, recommend that Shareholders vote in favour of Resolution 13. The Board is not aware of any other information that would be reasonably required by Shareholders to allow them to make a decision whether it is in the best interests of the Company to pass Resolution 13.

Approval pursuant to ASX Listing Rule 7.1 is not required in order to issue the Shares to the Related Parties as approval is being obtained under ASX Listing Rule 10.11. Accordingly, the issue will not be included in the 15% calculation of the Company's annual placement capacity pursuant to ASX Listing Rule 7.1.

**8. RESOLUTION 14 – APPROVAL FOR SHARE ISSUE – FORGIVENESS OF DEBT**

**8.1 General**

Resolution 14 seeks Shareholders approval for the allotment and issue of 12,500,000 Shares at an issue price of \$0.05 per Share (**Debt Forgiveness Placement**).

None of the subscribers pursuant to this issue will be related parties of the Company.

A summary of ASX Listing Rule is set out in Section 1.1 above.

The effect of Resolution 14 will be to allow the Directors to issue the Shares pursuant to the Placement during the period of 3 months after the General Meeting (or a longer period, if allowed by ASX), without using the Company's 15% annual placement capacity.

**8.2 Technical information required by ASX Listing Rule 7.1**

Pursuant to and in accordance with ASX Listing Rule 7.3, the following information is provided in relation to the Debt Forgiveness Placement:

- (a) the maximum number of Shares to be issued is 12,500,000;
- (b) the Shares will be issued no later than 3 months after the date of the General Meeting (or such later date to the extent permitted by any ASX waiver or modification of the ASX Listing Rules) and it is intended that allotment will occur on the same date;
- (c) the issue price will be \$0.05 per Share;
- (d) the Shares will be allotted and issued to Ron Bowling and Richard Williams (or their nominees), none of whom are related parties;
- (e) the Shares will be fully paid ordinary shares in the capital of the Company issued on the same terms and conditions as the Company's existing Shares; and
- (f) there will be no proceeds raised from the issue as the Shares from the Placement will be issued in consideration of payment for outstanding debts of the Company.

**Other:**

The Directors recommend that shareholders vote in favour of Resolution 14.

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**Glossary**

**\$** means Australian dollars.

**ASIC** means the Australian Securities and Investments Commission.

**ASX** means ASX Limited.

**ASX Listing Rules** means the Listing Rules of ASX.

**Board** means the current board of directors of the Company.

**Business Day** means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

**Company** means Bathurst Resources Ltd (ACN 125 679 469).

**Consultant Option** means an Option issued in consideration for consulting services provided to the Company on the terms and conditions set out in Schedule 1.

**Corporations Act** means the Corporations Act 2001 (Cth).

**Directors** means the current directors of the Company.

**Explanatory Statement** means the explanatory statement accompanying the Notice of Meeting.

**General Meeting** means the meeting convened by the Notice of Meeting.

**Notice of Meeting** means this notice of general meeting including the Explanatory Statement.

**Option** means an option to acquire a Share, and includes Consultant Options.

**Resolutions** means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

**Share** means a fully paid ordinary share in the capital of the Company.

**Shareholder** means a holder of a Share.

**WST** means Western Standard Time as observed in Perth, Western Australia.

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**SCHEDULE 1 – TERMS AND CONDITIONS OF CONSULTANT OPTIONS**

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The Consultant Options entitle the holder to subscribe for Shares on the following terms and conditions:

- (a) Each Consultant Option gives the holder the right to subscribe for one Share. To obtain the right given by each Consultant Option, the holder must exercise the Consultant Options in accordance with the terms and conditions of the Consultant Options.
- (b) the Consultant Options will expire at 5:00 pm (WST) on 30 June 2012 (**Expiry Date**). Any Consultant Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.
- (c) The amount payable upon exercise of each Consultant Option will be \$0.10 (**Exercise Price**).
- (d) The Consultant Options held by each holder may be exercised in whole or in part, and if exercised in part, multiples of 1,000 must be exercised on each occasion.
- (e) A holder may exercise their Consultant Options by lodging with the Company, before the Expiry Date:
- (i) a written notice of exercise of Consultant Options specifying the number of Consultant Options being exercised; and
  - (ii) a cheque or electronic funds transfer for the Exercise Price for the number of Consultant Options being exercised;
- (Exercise Notice)**.
- (f) An Exercise Notice is only effective when the Company has received the full amount of the Exercise Price in cleared funds.
- (g) Within 10 Business Days of receipt of the Exercise Notice accompanied by the Exercise Price, the Company will allot the number of Shares required under these terms and conditions in respect of the number of Consultant Options specified in the Exercise Notice.
- (h) The Consultant Options are not transferable.
- (i) All Shares allotted upon the exercise of Consultant Options will upon allotment rank pari passu in all respects with other Shares.
- (j) The Company will not apply for quotation of the Options on ASX. However, The Company will apply for quotation of all Shares allotted pursuant to the exercise of Options on ASX within 10 Business Days after the date of allotment of those Shares.
- (k) If at any time the issued capital of the Company is reconstructed, all rights of a holder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.
- (l) There are no participating rights or entitlements inherent in the Consultant Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Consultant Options. However, the Company will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least

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6 Business Days after the issue is announced. This will give holders the opportunity to exercise their Consultant Options prior to the date for determining entitlements to participate in any such issue.

- (m) A Consultant Option does not confer the right to a change in exercise price or a change in the number of underlying securities over which the Consultant Option can be exercised.

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# PROXY FORM

**Bathurst Resources Ltd**  
ACN 125 679 469

**All correspondence to:**  
Bathurst Resources Ltd  
PO Box 902  
West Perth WA 6872  
Phone: 08 9482 0500  
Facsimile: 08 9482 0505

I/We \_\_\_\_\_  
(insert name of holder – please print)

Of \_\_\_\_\_  
(insert address of holder – please print)

## Appointment of Proxy

I/We being member/s of Bathurst Resources Ltd and entitled to attend and vote hereby appoint

The Chairman  
of the Meeting  
(mark with an 'X')

**OR**

Write here the name of the person you are  
appointing if this person **is someone other  
than** the Chairman of the Meeting

or failing the person named, or if no person is named, the Chairman of the Meeting, as my/our proxy to act generally at the meeting on my/our behalf and to vote in accordance with the following directions (or if no directions have been given, as the proxy sees fit) at the Extraordinary Meeting of Bathurst Resources Ltd to be held at The Marque Hotel, 24 Mount Street, Perth, Western Australia on Friday 17 July, 2009 at 9.00 am and at any adjournment of that meeting.

### IMPORTANT: FOR RESOLUTION 1 to 14 BELOW

If the Chairman of the Meeting is to be your proxy and you have not directed your proxy how to vote on Resolutions 1 to 14 below, please place a mark in this box. By marking this box you acknowledge that the Chairman of the Meeting may exercise your proxy even if he has an interest in the outcome of that Item and that votes cast by him, other than as proxy holder, would be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chairman of the Meeting will not cast your votes on Resolutions 1 to 14 and your votes will not be counted in computing the required majority if a poll is called on this Item. The Chairman of the Meeting intends to vote undirected proxies in favour of Resolutions 1 to 14.

### Voting directions to your proxy - please mark X to indicate your directions

#### Ordinary Business

	For	Against	Abstain
RESOLUTION 1 ~ RATIFICATION OF SHARE ISSUE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 2 ~ APPROVAL FOR SHARE ISSUE	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 3 ~ ISSUE OF SHARES TO HAMISH BOHANNAN - CONVERSION OF DIRECTOR LOAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 4 ~ ISSUE OF SHARES TO JOHN HANNAFORD - CONVERSION OF DIRECTOR LOAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 5 ~ ISSUE OF SHARES TO BILLY SHELTON - CONVERSION OF DIRECTOR LOAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 6 ~ ISSUE OF OPTIONS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 7 ~ DIRECTORS PARTICPATION IN PLACEMENT - MR HAMISH BOHANNAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 8 ~ DIRECTORS PARTICPATION IN PLACEMENT - MR RICHARD MONTI	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 9 ~ DIRECTORS PARTICPATION IN PLACEMENT - MR CHARLES GRIFFITH	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 10 ~ DIRECTORS PARTICPATION IN PLACEMENT - MR BILLY SHELTON	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 11 ~ APPROVAL FOR ISSUE OF SHARES UNDER THE SHARE PURCHASE PLAN	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 12 ~ ISSUE OF SHARES TO MR BILLY SHELTON - DEBT FORGIVENESS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 13 ~ ISSUE OF SHARES TO MR CHARLES GRIFFITH - DEBT FORGIVENESS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
RESOLUTION 14 ~ APPROVAL FOR SHARE ISSUE - DEBT FORGIVENESS	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

## PLEASE SIGN HERE

### Individual or Securityholder 1

Sole Director and Sole Company Secretary

Director

Director/Company Secretary

Contact Name

Contact Daytime Telephone

Date

# How to complete the Proxy Form

## 1. Your Name and Address

This is your name and address as it appears on the company's share register. If this information is incorrect, please mark the box and make the correction on the form. Securityholders sponsored by a broker should advise their broker of any changes. Please note, you cannot change ownership of your securities using this form.

## 2. Appointment of a Proxy

If you wish to appoint the Chairman of the Meeting as your proxy, mark the box. If the person you wish to appoint as your proxy is someone other than the Chairman of the Meeting please write the name of that person. If you leave this section blank, or your named proxy does not attend the meeting, the Chairman of the Meeting will be your proxy. A proxy need not be a securityholder of the company.

## 3. Votes on Item of Business

You may direct your proxy how to vote by placing a mark in one of the boxes. All your securities will be voted in accordance with such a direction unless you indicate only a portion of voting rights are to be voted by inserting the percentage or number of securities you wish to vote in the appropriate box. If you do not mark any of the boxes, your proxy may vote as he or she chooses. If you mark more than one your vote will be invalid.

## 4. Appointment of a Second Proxy

You are entitled to appoint up to two persons as proxies to attend the meeting and vote on a poll. If you wish to appoint a second proxy, an additional Proxy Form may be obtained by telephoning the company's share registry or you may copy this form.

To appoint a second proxy you must:

- (a) on each of the first Proxy Form and the second Proxy Form state the percentage of your voting rights or number of securities applicable to that form. If the appointments do not specify the percentage or number of votes that each proxy may exercise, each proxy may exercise half your votes. Fractions of votes will be disregarded.
- (b) return both forms together in the same envelope.

## 5. Signing Instructions

You must sign this form as follows in the spaces provided:

- Individual: where the holding is in one name, the holder must sign.
- Joint Holding: where the holding is in more than one name, all of the securityholders should sign.
- Power of Attorney: to sign under Power of Attorney, you must have already lodged this document with the registry. If you have not previously lodged this document for notation, please attach a certified photocopy of the Power of Attorney to this form when you return it.
- Companies: where the company has a Sole Director who is also the Sole Company Secretary, this form must be signed by that person. If the company (pursuant to section 204A of the Corporations Act 2001) does not have a Company Secretary, a Sole Director can also sign alone. Otherwise this form must be signed by a Director jointly with either another Director or a Company Secretary. Please indicate the office held by signing in the appropriate place.

If a representative of the corporation is to attend the meeting the appropriate "Certificate of Appointment of Corporate Representative" should be produced prior to admission. A form of the certificate may be obtained from the company's share registry.

## Lodgement of a Proxy

This Proxy Form (and any Power of Attorney under which it is signed) must be received at the address given below not later than 48 hours before the commencement of the meeting scheduled for 9.00 am on Monday 8th September 2008. Any Proxy Form received after that time (9.00am Friday 5th September) will not be valid for the scheduled meeting.

## Documents may be lodged:

<i>By mail or in person –</i> Bathurst Resources Ltd Level 2, 16 Altona Street West Perth WA 6005	<b>OR</b>	<i>By facsimile –</i> Within Australia (08) 9482 0505 Outside Australia +618 9482 0505
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