

T +61 8 9481 2100  
F +61 8 9481 2001  
E [info@bathurstresources.com](mailto:info@bathurstresources.com)

Suite 5, 1327 Hay Street  
West Perth, Western Australia 6005  
PO Box 389, West Perth WA 6872



5<sup>th</sup> October 2010

Centralised Company Announcements Platform  
Australian Stock Exchange  
10<sup>th</sup> floor, 20 Bond Street  
Sydney NSW 2000

## LETTER TO OPTION HOLDERS

Please find enclosed a copy of the letter sent to Option holders today.

For and on behalf of the Board of Bathurst Resources Ltd

A handwritten signature in black ink, appearing to read 'T Manners', written over a white rectangular area.

Tim Manners  
Joint Company Secretary

### For further information contact

Tim Manners  
Bathurst Resources Ltd  
+61 8 9481 2100  
[tmanners@bathurstresources.com](mailto:tmanners@bathurstresources.com)

or

David Griffiths  
Gryphon Management Australia  
+61 8 9382 8300  
[david.griffiths@gryphon.net.au](mailto:david.griffiths@gryphon.net.au)

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5 October 2010

Dear Option holder,

On 5 October 2010 Bathurst Resources Limited (**Company**) announced an equity raising of up to A\$110 million to provide additional funds for the acquisition and development of its Buller coking coal project in New Zealand. The equity raising consists of:

- a placement of up to 253.4 million shares at A\$0.30 per share to raise approximately A\$76 million; and
- a 1 for 2 non-renounceable pro rata rights issue at an issue price of A\$0.30 per share to raise approximately A\$34 million (**Rights Issue**).

Shareholders with a registered address in Australia or New Zealand on the Record Date (**Eligible Shareholders**) are eligible to participate in the Rights Issue.

Full details of the Rights Issue will be contained in a prospectus to be released shortly.

The Record Date for the purposes of determining security holders entitled to participate in the Rights Issue is Monday 18 October 2010. The prospectus and personalised application form for the Rights Issue will be dispatched to all Eligible Shareholders soon after the Record Date.

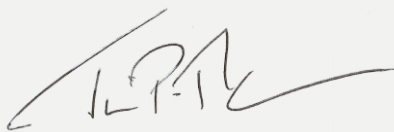
The purpose of this letter is to give you notice that if you are an Eligible Shareholder and wish to participate in the Rights Issue, you must exercise your options before the Record Date.

To ensure that your new shares are allotted before the Record Date, your option exercise notice together with the correct monies must be received by the Company's share registry, Security Transfer Registrars Pty Ltd no later than 5pm WST, Thursday 14 October 2010. Any notice of exercise of option received after this date cannot be assured of allotment before the Record Date, in which case you will not be able to participate in the Rights Issue. For your convenience an option exercise notice is attached.

If you do not wish to participate in the Rights Issue (in respect of your options) you do not need to take any action.

Before deciding whether to exercise all or any of your options, you should consider the terms of the Rights Issue carefully and if in any doubt, consult with your professional advisor.

Yours sincerely,



Tim Manners  
Joint Company Secretary

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NOTICE OF EXERCISE OF OPTIONS

To  
The Directors  
BATHURST RESOURCES LTD

Share Registry:  
Security Transfer Registrars Pty Ltd  
PO Box 535  
APPLECROSS WA 6953  
Email: [registrar@securitytransfer.com.au](mailto:registrar@securitytransfer.com.au)  
Website: [www.securitytransfer.com.au](http://www.securitytransfer.com.au)  
Ph: (618) 9315 2333 Fax: (618) 9315 2233

I/We ..... Shareholder Number: .....

.....

Of .....

.....

.....

Being the registered holder of Options hereby exercise such Options to subscribe for ..... Ordinary fully paid shares at \$\_\_\_\_\_ per share. I/We enclose application money of \$ ..... And authorise you to register me/us as the holder of the shares to be allotted to me/us and /we agree to accept such shares subject to the Rules of the Constitution of the Company

Individual or Holder 1

Director

Securityholder 2

Director/Secretary

Securityholder 3

Sole Director/Secretary

Date:

Day / Month / Year

Contact Name

Contact Telephone Number

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