

T +61 8 9481 2100
F +61 8 9481 2001
E info@bathurstresources.com

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



11th October 2010

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

LETTER TO SHAREHOLDERS

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

For and on behalf 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
Chief Financial Officer
Bathurst Resources Ltd
+61 8 9481 2100
tmanners@bathurstresources.com

David Griffiths
Principal
Gryphon Management Australia
+61 8 9382 8300
david.griffiths@gryphon.net.au

For personal use only

11 October 2010

BATHURST
RESOURCES LTD

Dear Shareholder,

On 7 October 2010, Bathurst Resources Limited (“**Company**”) lodged a prospectus offering up to 113,893,946 New Shares at an issue price of \$0.30 per New Share by way of a non-renounceable pro-rata entitlements issue (“**Rights Issue**”) on the basis of 1 New Share for every 2 Existing Shares held by shareholders registered as at the Record Date whose registered address is in Australia or New Zealand (“**Eligible Shareholder**”).

The Company expects the Rights Issue to be conducted in accordance with the following timetable:

Securities are quoted on an “ex” entitlements basis (the “ex” date)	12 October 2010
Record Date for Rights Issue	18 October 2010
Send Prospectus and serially numbered entitlement and acceptance forms to persons entitled	21 October 2010
Announce dispatch has been completed	21 October 2010
Acceptances close at 5pm WST	5 November 2010
Notify ASX of under subscriptions	10 November 2010
Dispatch date of holding statements	11 November 2010
Normal trading starts	12 November 2010

The above dates are indicative only and the Company reserves the right to vary the above dates, subject to the ASX Listing Rules and the Corporations Act.

The new shares to be issued under the Rights Issue will rank equally with the existing shares.

A prospectus for the Rights Issue has been lodged with ASIC. Eligible Shareholders will receive a copy of the Prospectus and must complete the application form accompanying the Prospectus to take up their entitlements. Eligible Shareholders may also apply for additional shares in excess of their entitlement, up to a maximum value of \$50,000.

A table setting out the capital structure of the Company after completion of the Rights Issue is set out below:

Shares on issue at the date of the announcement of the Rights Issue	228,296,676
New Shares issued pursuant to the Rights Issue	113,893,946
Options exercisable at 25 cents each expiring 31 December 2010 (Listed)	3,897,385
Unlisted Options exercisable at 25 cents each expiring at various dates ¹	5,446,939
Director options exercisable at 42 cents each expiring at various dates ¹	3,900,000
Options exercisable at 35 cents each expiring 31 October 2011	250,000
Options exercisable at 10 cents each expiring 30 June 2012	4,000,000
Options exercisable at 15.5 cents each expiring 16 June 2013	5,000,000
Options exercisable at 15 cents each expiring at various dates ¹	20,500,000
Total Options	42,994,324

¹ See the Company’s most recent Appendix 3B for details of expiry dates

Helmsec Global Capital Limited acted as Lead Manager to the Rights Issue and is entitled to be paid the following fees (exclusive of GST):

- a Rights Issue fee equal to 5% of the amount raised under the Rights Issue;
- a Rights Issue stamping fee equal to 1% of the amount subscribed for under the Rights Issue pursuant to valid applications that bear the Helmsec stamp (up to a maximum of A\$1,000 per application);
- a shortfall fee equal to 5% of the amount raised under the shortfall offer; and
- options to parties nominated by Helmsec, including intermediaries, equal to 4% of the number of shares issued under the Rights Issue with an exercise price of A\$0.36 and term 3 years from grant.

The Company will also pay a stamping fee of 1% on all applications received where the application form bears the stamp of an AFSL license holder approved by the Company.

Should you have any questions regarding the Rights Issue you may contact the Company on +61 8 9481 2100 or consult your stockbroker or professional adviser. A copy of the prospectus may be viewed on the ASX Limited website at asx.com.au, or alternatively at the Company's website at www.bathurstresources.com.

We look forward to your participation in the Rights Issue.

Yours sincerely



Tim Manners
Joint Company Secretary

For personal use only