

2nd September 2010

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

BATHURST
RESOURCES LTD

BATHURST ANNOUNCES 80% INCREASE IN DEEP CREEK RESOURCE

Bathurst Resources Ltd (ASX:BTU) is pleased to announce a significant increase in both resources and confidence level at its Deep Creek project; part of the Denniston sector of the company's Buller Coal Project in New Zealand.

Following on from the completion of stage two of the company's exploration programme, which resulted in the initial 42.2 Mt resource announced on the 26th July 2010, Bathurst has now completed a significant drilling programme at its Deep Creek target.

The results of the drilling programme have confirmed an 80% upgrade to the resource from the previously reported 6.0 Mt to 10.9 Mt. The confidence level in the resource has also been increased to 57% Measured, 28% Indicated and 15% Inferred as per the table below (previously the 6.0 Mt were all inferred resources).

Deep Creek Resources (Million Tonnes)^(^)

Measured	Indicated	Inferred	Total	<i>In-situ Strip Ratio BCM/t</i>
6.2	3.1	1.6	10.9	5.6

The completion of resource modelling has enabled pit design to commence which is likely to result in an upgrade of the Deep Creek Resource to Reserve status during September.

Marston International Pty Ltd, who recently completed the Definitive Feasibility Study ("DFS") on the Escarpment, are currently preparing an addendum to the DFS to include the Deep Creek area which should significantly add to the initial mine life. The study is expected to be completed in Q3 2010, after which it will be subject to an independent peer review.

The Company expects the majority of the Deep Creek resource to be hard coking coal with similar high quality properties as that of the Escarpment project.

The Total Resources for the Buller Project are now 47.1 Mt ^(^):

<i>Status</i>	<i>Prospect</i>	<i>Mt</i>	<i>Total (Mt)</i>
Measured	Escarpment	3.8	
	Deep Creek	6.2	10.0
Indicated	Escarpment	1.6	
	North Buller	4.8	
	Blackburn	10.8	
	Millerton North	4.3	
	Deep Creek	3.1	24.6
Inferred	Escarpment	1.9	
	North Buller	9.0	
	Deep Creek	1.6	12.5
TOTAL			47.1

(^) Refer to following page for Competent Person's Statement

Bathurst's Managing Director Hamish Bohannan said

"The latest drilling results confirm the excellent potential of Deep Creek to be a near term mine and the Buller Project as a multi-mine operation".

"When added to the results from the Escarpment, mining at Deep Creek should significantly enhance the economics of the Buller Project and the overall returns to Bathurst shareholders and the local community"

"Bathurst's objective is to commence production at an annualised rate of 1 Mtpa from December quarter 2011, increasing to 2 Mtpa once other deposits, including Deep Creek, are brought into operation."

"The next stage of Bathurst's drilling program aims to build on the solid foundations of Escarpment and Deep Creek by firming up the resources in the Denniston sector and testing the exploration potential within the Buller Project".

"The exploration results also validate the earlier exploration undertaken by both NZ Coal Resources Survey and L&M in the region.

For and on behalf of Bathurst Resources Ltd



Hamish Bohannan
Managing Director

For further information contact

Hamish Bohannan
Bathurst Resources Ltd
+61 8 9481 2100
hbohannan@bathurstresources.com

or

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

(A) Competent Person's Statement

The information in the preceding tables that relates to exploration results and mineral resources for Deep Creek is based on information compiled by Neil Fraser who is a full time employee of Marston International Pty Ltd and is a member of the Australasian Institute of Mining and Metallurgy. Mr Fraser has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fraser consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears above.

The information in the preceding table that relates to exploration results and mineral resources other than Deep Creek is based on information compiled by Dr James Pope, of CRL Energy of Christchurch New Zealand who is a consultant to the company through CRL Energy and is a member of the Australasian Institute of Mining and Metallurgy. Dr Pope has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Pope consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears above.

BATHURST RESOURCES OVERVIEW

Introduction

Bathurst Resources Limited is an ASX listed company focused on becoming a producer of high quality coking and thermal coal. Bathurst has signed an agreement with L&M Coal Holdings to acquire the Buller Project, a hard coking coal asset in the Buller Coalfield in NZ through the acquisition of 100% of L&M Coal Limited.

Highlights

- 100% acquisition of high quality metallurgical coal project in NZ,
- JORC Compliant resources of 47.1 Mt⁽¹⁾ within a total exploration potential of 60-90 million tonnes⁽²⁾,
- Open cast development opportunity with production in 12-18 months, and
- Development in an area of established operations with infrastructure.

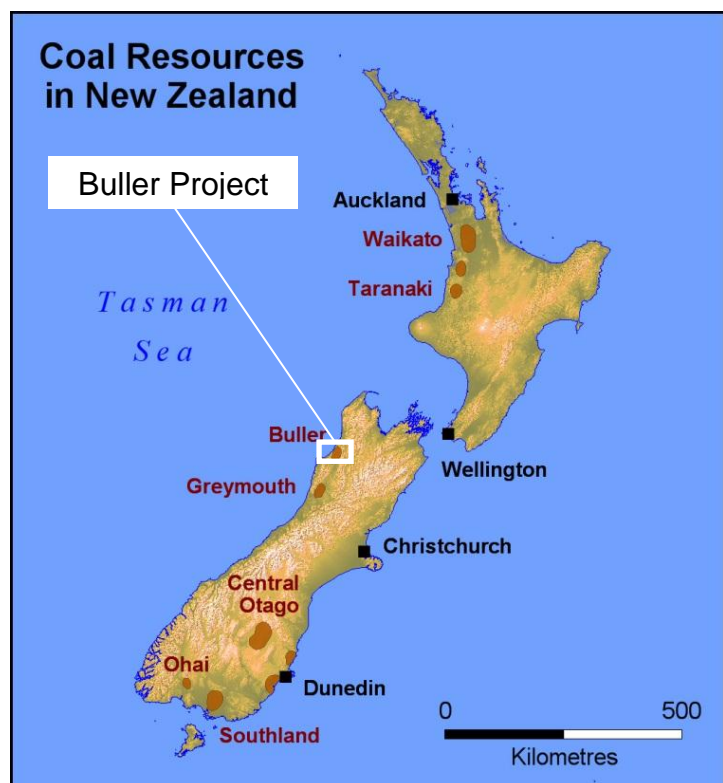
Background

The Buller Coalfield on the West Coast of the South Island of New Zealand is one of the country's most significant fields. The region produces high quality, low ash, coking coals. There has been 140 years of mining in the region. Current production is mainly coking with the majority of coal being exported.

Railway lines adjacent to the Buller coalfields service the entire West Coast coal mining industry and connect to both river and deep water ports.

The Buller Project area comprises two permits that cover over 10,000 hectares of the Buller Coalfield. The permits largely surround Solid Energy's Stockton open cut mining operation.

Stockton produces approximately 2 million tonnes of coal per annum. Most of the coal mined at Stockton is exported for use in steel mills in India, China, Japan, South Africa and Brazil. The Buller Project would expect to produce similar high quality coal from similar seams mined by Solid Energy at Stockton.



Project Overview

Bathurst has recently completed a Definitive Feasibility Study on the Escarpment Resource within the Buller Project with Marston International as its DFS study managers. Marston are currently preparing an addendum to include the Deep Creek area which should significantly add to the initial mine life. The study is expected to be completed in Q3 2010, after which it will be subject to independent peer review.

An initial JORC compliant Reserve is expected to be completed as part of the DFS, sufficient to establish an initial minimum 10 year operational mine life in the southern areas of the exploration permits. In parallel, a staged drilling program has commenced to provide information to allow conversion of the 60 – 90 million tonne⁽²⁾ conceptual exploration target to a JORC compliant resource.

Mining is anticipated to commence in the Denniston Sector initially at Escarpment before moving on to other resources within the sector. The Denniston Sector has a conceptual exploration target of 29 – 50 million tonnes⁽²⁾ of coal within which an initial JORC compliant resource of 18.2 million tonnes has been established at Escarpment and Deep Creek⁽¹⁾.

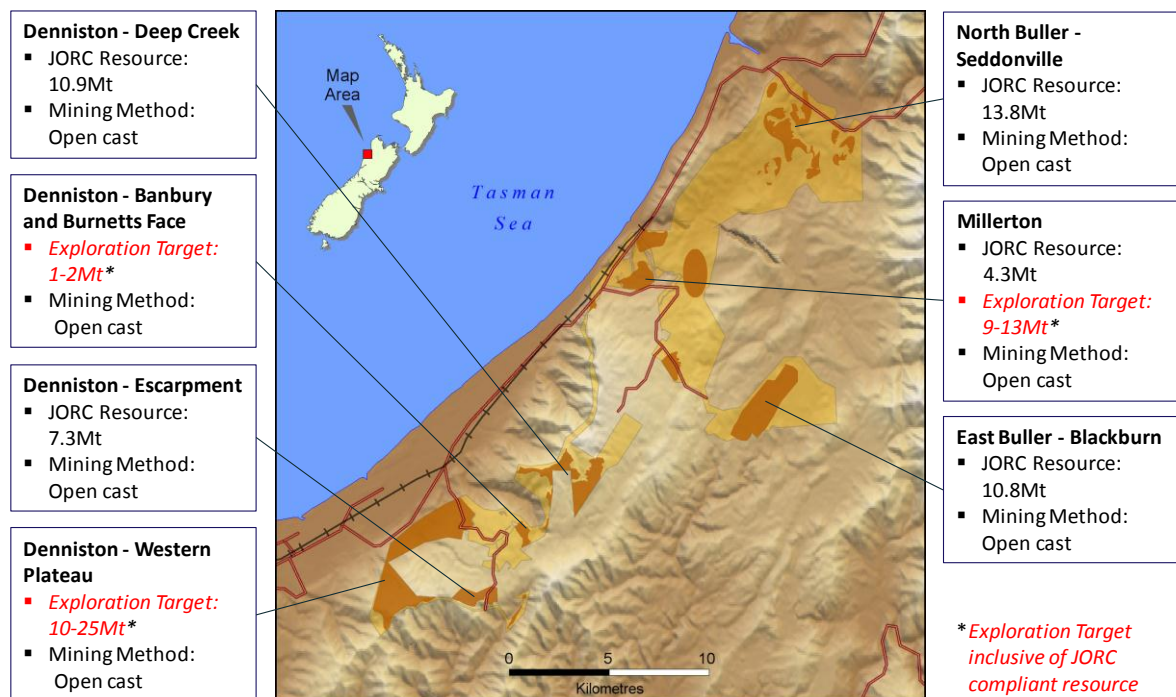
For personal use only

The coal lies in near horizontal seams typically 1 to 10 metres thick and covered largely by sandstone overburden generally 30 to 60 metres thick. The mining schedule for Escarpment indicates an average strip ratio of 9:1. Mining is planned to be open cast to feed a wash plant located centrally on the Denniston plateau.

The wash plant will produce a high quality hard coking coal. This high quality coal has niche ash trimming and fluidity enhancing potential as well as low phosphorus levels. These strong coking properties together with its low sulphur, very low ash and good ash chemistry will make it a premium product for use in the steel industry and ferro-silicon production.

The coal will be transported down the plateau through a pipeline to a filter and screening plant adjacent to the rail line. The product will then be railed to either Westport or Lyttelton for shipping to overseas markets.

Updated Resources ^{(1) (2)}



(1) Competent Persons Statement

The information in this document that relates to exploration results and mineral resources for Deep Creek is based on information compiled by Neil Fraser who is a full time employee of Marston International Pty Ltd and is a member of the Australasian Institute of Mining and Metallurgy. Mr Fraser has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Fraser consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears above.

The information in this document that relates to exploration results and mineral resources other than Deep Creek is based on information compiled by Dr James Pope, of CRL Energy of Christchurch New Zealand who is a consultant to the company through CRL Energy and is a member of the Australasian Institute of Mining and Metallurgy. Dr Pope has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Dr Pope consents to the inclusion in the ASX release of the matters based on his information in the form and context in which it appears above.

(2) Statement of Exploration Potential

The estimate of exploration potential was calculated by Bathurst Resources using the results from historical mining and exploration as well as recent drilling undertaken by L&M Coal. The potential quantity and quality is conceptual in nature and there has been insufficient exploration to define a mineral resource and it is uncertain if further exploration will result in determination of a mineral resource.