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Bathurst
RESOURCES LTD

ACN 125 679 469

Interim Financial Report
for the half year ended 31 December 2007

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This interim financial report covers Bathurst Resources Ltd as an individual entity. The interim financial report is presented in the Australian currency.

Bathurst Resources Ltd is a company limited by shares, incorporated and domiciled in Australia. It's registered office and principal place of business is:

Bathurst Resources Ltd
Level 2
16 Altona Street
West Perth WA 6005

A description of the nature of the Company's operations and its principal activities is included in the review of operations and activities in the Directors' Report on page 2, which does not form part of this interim financial report.

The Company has the power to amend and reissue the interim financial report.

Corporate Information

Directors:

John Hannaford
Non-Executive Chairman

Frank Ashe
Non-Executive Director

Richard Monti
Executive Director

Company Secretary:

Morgan Barron

Registered & Principal Office:

Level 2, 16 Altona Street
WEST PERTH WA 6005
Telephone: + 618 9482 0500
Facsimile: + 618 9482 0505

Postal Address:

P.O. Box 902
WEST PERTH WA 6872

Auditors:

WHK Horwath
256 St Georges Terrace
PERTH WA 6000

Solicitors - Perth:

Steinepreis Paganin
Level 4, Next Building
16 Milligan Street
PERTH WA 6000

Home Stock Exchange:

Australian Securities Exchange Limited
Exchange Plaza
2 The Esplanade
PERTH WA 6000
ASX Codes – BTU

Share Registry:

Security Transfer Registrars
PO Box 535
APPLECROSS WA 6953
Telephone (08) 9315 2333

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Directors' Report

Your Directors have pleasure in submitting the interim financial report of the company for the half-year ended 31 December 2007.

DIRECTORS

The names and details of Directors in office at any time during the half year are:

John Hannaford	Non Executive Chairman (appointed 30/5/07)
Frank Ashe	Non Executive Director (appointed 26/10/07)
Richard Monti	Executive Director (appointed 30/5/07)
Morgan Barron	Non Executive Director (appointed 30/5/07, resigned 26/10/07)

Directors have been in office since the start of the half year to the date of this report unless otherwise stated.

PRINCIPAL ACTIVITIES

Bathurst Resources Limited ("Bathurst") principal activities are the exploration of gold and base metals on the Mt Clifford project in Western Australia.

RESULTS

The net loss of the Company for the period ended 31 December 2007 amounted to \$193,463.

OPERATING AND FINANCIAL REVIEW

During the period the company converted from a private company to a public company. On 31 August 2007, the company signed an option agreement with Cazaly Resources Limited to farm in to the Mount Clifford project.

In October 2007 the company completed a seed raising at 10 cents. On 12 November 2007 the Company lodged a prospectus with ASIC to raise \$3 million via the offer of 15,000,000 shares at 20 cents. On 11 December 07, the Company exercised its option agreement, acquiring a 20% interest in the Mount Clifford project and has the right to earn a further 50% interest. On 19 December 2007 the Company was listed on the ASX with the ASX code BTU.

Since listing the Company has began to put together its field program for 2008.

The net loss for the period was \$193,463.

Directors' Report

LIKELY DEVELOPMENTS

There are no likely developments in the operations of the company that were not finalised at the date of this report. Further information as to likely developments in the operations of the Company and likely results of those operations would in the opinion of the Directors, be likely to result in unreasonable prejudice to the Company.

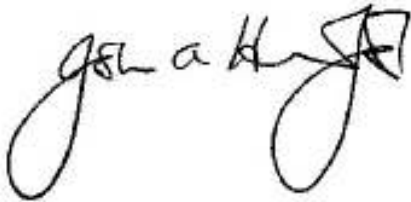
AUDITORS INDEPENDENCE DECLARATION

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 for the half year ending 31 December 2007 has been received and can be found on page 4.

AUDITOR

WHK Horwath continues in office in accordance with section 327 of the Corporation Act 2001.

Signed in accordance with a resolution of the Directors.

A handwritten signature in black ink, appearing to read 'J. Hannaford', with a stylized flourish at the end.

J. Hannaford
Chairman

Perth
15 February 2008

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AUDITOR'S INDEPENDENCE DECLARATION

In accordance with the requirements of section 307C of the Corporations Act 2001, as lead auditor for the review of Bathurst Resources Limited for the half-year ended 31 December 2007, I declare that, to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the Corporations Act 2001 in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

WHK HORWATH PERTH AUDIT PARTNERSHIP



SEAN MCGURK
Principal

Perth, WA

Dated this 15 day of February 2008

BATHURST RESOURCES LTD
ACN: 125 679 469

Condensed Income Statement
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	2007
	\$
Revenue from continuing operations	14,144
Employee expenses	(172,435)
Administration expenses	<u>(35,172)</u>
Loss before income tax expense	<u>(193,463)</u>
Income tax expense	<u>-</u>
Net loss attributable to members of the Company	<u>(193,463)</u>
Basic and diluted loss per share - cents per share	(4.11)

The above Income Statement should be read in conjunction with the accompanying notes.

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BATHURST RESOURCES LTD
ACN: 125 679 469

Condensed Balance Sheet
AS AT 31 DECEMBER 2007

	Note	31 December 2007 \$	30 June 2007 \$
ASSETS			
Current assets			
Cash and cash equivalents		3,238,597	2
Trade and other receivables		5,887	-
Total current assets		3,244,484	2
Non-current assets			
Exploration and evaluation expenditure	5	34,993	-
Total non-current assets		34,993	-
TOTAL ASSETS		3,279,477	2
LIABILITIES			
Current liabilities			
Trade and other payables		259,920	-
Total current liabilities		259,920	-
TOTAL LIABILITIES		259,920	-
NET ASSETS		3,019,557	2
EQUITY			
Issued capital	6	2,753,217	2
Reserves	8	459,803	-
Accumulated losses		(193,463)	-
TOTAL EQUITY		3,019,557	2

The above Balance Sheet should be read in conjunction with the accompanying notes.

BATHURST RESOURCES LTD
ACN: 125 679 469

Condensed Statement of Changes in Equity
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

2007

	Note	Issued Capital \$	Option Reserve \$	Accumulated Losses \$	Total Equity \$
Total equity at the beginning of the period		2	-	-	2
Loss for the period		-	-	(193,463)	(193,463)
Total recognised income and expense for the period		-	-	(193,463)	(193,463)
Transactions with equity holders:					
Contributions of equity, net of transaction costs	6	3,315,000	-	-	3,315,000
Capital raising costs	6	(561,785)			(561,785)
Share-based payments	8	-	459,803	-	459,803
Total equity at 31 December 2007		2,753,217	459,803	(193,463)	3,019,557

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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BATHURST RESOURCES LTD
ACN: 125 679 469

Condensed Cash Flow Statement
FOR THE HALF YEAR ENDED 31 DECEMBER 2007

	2007
	\$
<i>Cash flows from operating activities</i>	
Interest received	14,144
Payments to suppliers and employees	<u>(21,166)</u>
Net cash used in operating activities	<u>(7,022)</u>
<i>Cash flows from investing activities</i>	
Payments for exploration expenditure	<u>(34,993)</u>
Net cash used in investing activities	<u>(34,993)</u>
<i>Cash flows from financing activities</i>	
Proceeds from issues of shares	3,315,000
Capital raising costs	<u>(34,390)</u>
Net cash flows provided by financing activities	<u>3,280,610</u>
Net increase in cash and cash equivalents	3,238,595
Cash and cash equivalents at the beginning of the period	<u>2</u>
Cash and cash equivalents at the end of the period	<u>3,238,597</u>

The above Cash Flow Statement should be read in conjunction with the accompanying notes.

BATHURST RESOURCES LTD
ACN: 125 679 469

Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 1 – REPORTING ENTITY

Bathurst Resources Ltd (the "Company") is a company domiciled in Australia. Bathurst Resources was incorporated on 30 May 2007 as a proprietary company. As at 30 June 2007, there was no requirement for the company to prepare statutory accounts, and as such this interim financial report is the first financial report to be prepared and lodged with ASIC. The interim financial report of the Company as at and for the half year ended 31 December 2007 comprises Bathurst Resources Limited as an individual entity.

NOTE 2 – STATEMENT OF COMPLIANCE

The half-year final report is a general purpose condensed final report which has been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 "Interim Financial Reporting". Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 "Interim Financial Reporting".

The interim financial report does not include all of the information required for a full annual financial report and therefore cannot be expected to provide as full an understanding of the final performance, final position and financing and investing activities of the Company as the full final report. It is recommended that the interim financial report be read in conjunction with any public announcements made by Bathurst Resources Limited during the half-year in accordance with the continuous disclosure requirements arising under the Corporations Act 2001.

This interim financial report was approved by the Board of Directors on 14 February 2008.

NOTE 3 – SIGNIFICANT ACCOUNTING POLICIES

The significant policies which have been adopted in the preparation of this interim financial report are:

(a) Basis of Preparation

The interim financial report has been prepared on a historical cost basis.

(b) Income Tax

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements, and to unused tax losses.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to apply when the assets are recovered or liabilities are settled, based on those tax rates which are enacted or substantively enacted for each jurisdiction. The relevant tax rates are applied to the cumulative amounts of deductible and taxable temporary differences to measure the deferred tax asset or liability. An exception is made for certain temporary differences arising from the initial recognition of an asset or a liability. No deferred tax asset or liability is recognised in relation to these temporary differences if they arose in a transaction, other than a business combination, that at the time of the transaction did not affect either accounting profit or taxable profit or loss.

Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

(b) Income Tax (continued)

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax balances attributable to amounts recognised directly in equity are also recognised directly in equity.

(c) Goods and Services Tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax ("GST"), except; where the GST incurred on a purchase of goods and services is not recoverable from the taxation authorities, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense item as applicable and receivables and payables in the balance sheet are shown inclusive of GST.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Cash flows are included the Cash Flow Statement on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(d) Other receivables

Other receivables, which generally have 30-90 day terms, are recognised and carried at fair value and subsequently at amortised cost less a provision for any uncollectible amounts.

Collectibility of other receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for doubtful receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms or receivables. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial. The amount of the provision is recognised in the income statement.

Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

(e) Financial assets

The Company currently classifies its financial assets as loans and receivables.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivables. They are included in current assets, except for those with maturities greater than 12 months after the balance sheet date which are classified as non-current assets.

Loans and receivables and held-to-maturity investments are carried at amortised cost using the effective interest method.

Amortised cost is calculated by taking into account any discount or premium on acquisition, over the period to maturity.

(f) Exploration, evaluation and development expenditure

Exploration, evaluation and development expenditure incurred is either written off as incurred or accumulated in respect of each identifiable area of interest. Costs are only carried forward to the extent that they are expected to be recouped through the successful development of the area (or, alternatively by its sale) or where activities in the area have not yet reached a stage which permits reasonable assessment of the existence of economically recoverable reserves and above operations in relation to the area are continuing.

Accumulated costs in relation to an abandoned area are written off in full against profit in the period in which the decision to abandon the area is made.

When production commences, the accumulated costs for the relevant area of interest are amortised over the life of the area according to the rate of depletion of the economically recoverable reserves.

A regular review is undertaken of each area of interest to determine the appropriateness of continuing to carry forward costs in relation to that area of interest.

(g) Impairment of assets

Where an indicator of impairment exists, the Company makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount.

Recoverable amount is the greater of fair value less costs to sell and value in use. It is determined for an individual asset, unless the asset's value in use cannot be estimated to be close to its fair value less costs to sell and it does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

At each reporting date, the company assesses whether there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the income statement.

Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

(h) Share Based Payments

The Company provides payment to related parties in the form of share-based compensation, whereby related parties render services in exchange for shares or rights over shares ('equity-settled transactions').

The cost of these equity-settled transactions is measured by reference to the fair value at the date at which they are granted. The fair value is determined using the Black & Scholes method.

The Black-Scholes option pricing model takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk free interest rate for the term of the option.

The fair value of the options granted is adjusted to reflect market vesting conditions, but excludes the impact of any non market vesting conditions. Non market vesting conditions are considered when forming assumptions about the number of options that are expected to become exercisable. At each balance sheet date, the entity revises its estimates of the number of options that are expected to become exercisable.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant parties become fully entitled to the award ('vesting date').

The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Company, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transaction as a result of the modification, as measured at the date of modification.

(i) Cash and cash equivalents

Cash and short-term deposits in the balance sheet comprise cash at bank and in hand and short-term deposits with an original maturity of three months or less.

For the purposes of the Cash Flow Statement cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

(j) Revenue

Interest revenue is recognised when receivable.

All revenue is stated net of the amount of goods and services tax (GST).

Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

(k) Issued capital

Ordinary shares are classified as equity. Issued and paid up capital is recognised at the fair value of the consideration received by the Company. Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received.

(l) Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

(m) Earnings per share

i) Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the company, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year.

ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

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BATHURST RESOURCES LTD
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Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 4 – INCOME TAX

Deferred income tax (revenue)/expense included in income tax expense comprises:

Increase in deferred tax liabilities:	
- arising from temporary differences	10,498
(Increase) in deferred tax assets:	
- arising from tax losses	<u>(10,498)</u>
Total	<u><u>-</u></u>

NOTE 5 – EXPLORATION AND EVALUATION EXPENDITURE

	31 December 2007	30 June 2007
	\$	\$
Costs carried forward in respect of: Exploration and evaluation expenditure, at cost	<u>34,993</u>	<u>-</u>

Reconciliation:

A reconciliation of the carrying amounts of exploration and evaluation expenditure is set out below:

Carrying amount at 1 July 2007	-
Additions	34,993
Impairment of exploration expenditure	<u>-</u>
Carrying amount at end of period	<u><u>34,993</u></u>

Exploration commitments

In order to maintain rights of tenure to exploration permits, the Company has certain obligations to perform minimum exploration work and expend minimum amounts of money.

These commitments may be varied as a result of renegotiations, relinquishments, farm-outs, sales or carrying out work in excess of the permit obligations. The minimum expenditure required by the Company on exploration permits during the year is estimated below. Commitments beyond this time frame can not be estimated reliably as minimum expenditure requirements are reassessed annually. The commitments have not been provided for in the interim financial report.

Within one year	<u><u>29,098</u></u>
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BATHURST RESOURCES LTD
ACN: 125 679 469

Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 6 - ISSUED CAPITAL

	Number of Shares	\$
2007		
(a) Issued and Paid Up Capital		
Fully paid ordinary shares	21,000,000	2,753,217
 (b) Movements in fully paid shares on issue		
Opening balance 1 July 2007	2	2
Issue of promoter shares at \$0.005	2,999,998	15,000
Issue of seed shares at \$0.10	3,000,000	300,000
Capital raising to the public at \$0.20	15,000,000	3,000,000
Capital raising costs	-	(561,785)
Total fully paid shares on issue	21,000,000	2,753,217

NOTE 7- RELATED PARTY TRANSACTIONS

(a) Other related party transactions

Ventnor Capital Pty Ltd, a company of which Mr John Hannaford and Mr Richard Monti are directors, was paid rent, general administration and bookkeeping, company secretarial fees and corporate advisory fees in relation to the administration and listing of the Company. Ventnor Capital was also paid brokerage for IPO funds raised. These services were provided on normal commercial terms and conditions. A summary of the total fees paid or payable to Ventnor Capital Pty Ltd during the period is as follows:

Rent, general administration and bookkeeping	2,097
Company secretarial fees	2,097
Corporate advisory - fees	40,000
Brokerage	25,000
Total	69,194

The total amount of fees due to Ventnor Capital as at 31 December 2007 was \$37,613. Ventnor Capital Pty Ltd was also issued options in relation to the listing of the Company during the period which had a book value of \$241,573.

Eficaz Pty Ltd, a company of which Mr Frank Ashe is a Director and shareholder, was paid directors fees totalling \$1,153 during the period.

(b) Terms and Conditions

Transactions with other related parties are made on normal commercial terms and conditions and at market rates. Outstanding balances are unsecured and are repayable in cash.

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BATHURST RESOURCES LTD
ACN: 125 679 469

Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 8 – SHARE BASED PAYMENTS

Expenses arising from share-based payment transactions

Total expenses arising from share-based payment transactions recognised during the period were as follows:

	2007
	\$
Options issued to unrelated parties in consideration for services	49,130
Options issued to Directors, officers and Corporate Advisors	410,673
	459,803

These options are detailed below:

Date Granted	Expiry Date	Exercise Price	Number at beginning of year	Movement During the year	Exercised	Expired	Number at end of year
7/11/07	31/12/10	\$0.25	-	500,000	-	-	500,000
13/12/07	31/12/10	\$0.25	-	4,250,000	-	-	4,250,000
				4,750,000			4,750,000

During the year, no options were exercised to take up ordinary shares.

As at the year end the Company had a total of 4,750,000 unissued ordinary shares on which options are outstanding with an average weighted exercise price of 25 cents.

Fair value of options granted

The fair value at grant date is determined using a Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the non-tradeable nature of the option, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option.

The table below summarises the model inputs for options granted during the period:

Model Inputs	Advisor Options	Dir, Co Sec & VC Options
1. Options granted for no consideration:	500,000	4,250,000
2. Exercise price (cents):	0.25	0.25
3. Valuation date:	7 November 2007	13 December 2007
4. Expiry date:	31 December 2010	31 December 2010
5. Underlying security spot price at grant date (cents):	0.2	0.2
6. Expected price volatility of the company's shares:	75%	75%
7. Expected dividend yield:	0%	0%
8. Risk-free interest rate	6.75%	6.75%

The expected price volatility is based on the historic volatility of an average of comparable companies.

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Notes to the Financial Statements
FOR THE HALF-YEAR ENDED 31 DECEMBER 2007

NOTE 9 – SEGMENT REPORTING

The Company operates in one business and geographical segment, being the exploration and evaluation of mineral resources in Australia.

NOTE 10 –CONTINGENT LIABILITIES

As at 31 December 2007, the Directors are not aware of any claims against the Company that may result in material loss. No amounts have been provided for contingent liabilities in the interim report.

NOTE 11 –SUBSEQUENT EVENTS

Subsequent to balance date, there are no known events that would have a material effect on the financial statements.

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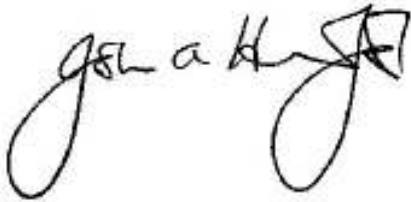
Directors' Declaration

In the directors' opinion:

- a) the financial statements and notes set out on pages 5 to 17:
- i. comply with Australian Accounting Standard AASB 134 Interim Financial Reporting and the Corporations Regulations 2001; and
 - ii. give a true and fair view of the Company's financial position as at 31 December 2007 and of its performance, as represented by the results of its operations, changes in equity and their cash flows, for the period ended on that date; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of directors.

On behalf of the board

A handwritten signature in black ink, appearing to read 'J. Hannaford', with a stylized flourish at the end.

J. Hannaford
Chairman
Perth
15 February 2008

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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF BATHURST RESOURCES LIMITED**

Report on the half-year financial report

We have reviewed the accompanying half-year financial report of Bathurst Resources Limited (the Company), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the half-year ended on that date, a description of accounting policies, other selected explanatory notes and the directors' declaration

Directors' responsibility for the half-year financial report

The directors of the Company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with the Auditing Standard on Review Engagements ASRE 2410: *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the Corporations Act 2001 including giving a true and fair view of the Company's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with the Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Bathurst Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we complied with the independence requirements of the Corporations Act 2001.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bathurst Resources Limited is not in accordance with the Corporations Act 2001, including:

- a) giving a true and fair view of the Bathurst Resources Limited financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134: Interim Financial Reporting and Corporations Regulations 2001.

WHK HORWATH PERTH AUDIT PARTNERSHIP



SEAN MCGURK
Principal

Perth, WA
Dated this 15 day of February 2008

Total Financial Solutions

Member Horwath International

WHK Horwath Perth Audit Partnership ABN 96 844 819 235
Level 6, 256 St Georges Terrace Perth WA 6000 Australia
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A WHK Group firm