Bauxite Resources Limited Progress at Felicitas Bauxite Project

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Perth, Australia (ABN Newswire) - Bauxite Resources Limited (ASX:BAU) is pleased to provide an update on bauxite resource definition and development activities at its Felicitas project (BRL 30%), in the Company's northern Darling Range tenement area in Western Australian. This follows an update from Bauxite Alumina Joint Ventures Pty Ltd ("BAJV"), managers of the Felicitas Project, which forms part of the joint venture between BRL and Yankuang Resources Pty Ltd ("Yankuang").

Following the announcement of an initial 73.3 million tonnes (Mt) bauxite resource at the Felicitas Project in June 2012, BAJV has engaged CSIRO to carry out preliminary bauxite characterisation analysis on all BAJV's northern Darling Range resources. This work has now been completed and the data is being analysed by independent consultants engaged by BAJV. Whilst too early to be definitive, the results viewed to date encourage the Company's positive view of the northern resources and the Felicitas deposit in particular.

In order to identify the extent of the mineralisation potentially available at the Felicitas deposit, a new phase of activity has commenced. A program of work consisting of 6029 holes on a 80x80 metre spacing for a total of 28,662 metres is scheduled from November 2012 to the end of June 2013. This drilling program will cover an area of predominantly cleared farmland of approximately 3,300 hectares with the following aims;

- to test the lateral extension of the Felicitas deposit. The deposit is considered to have further resource growth potential as drilling programs to date have only tested a relatively minor proportion of mapped laterite within exploration licenses E70/3159, E70/3900 and E70/4021;

- to gain samples for density determination and to provide variography data to assist resource modelling. This work is required in order to increase confidence of the JORC resource; and

- to define both a bauxite refinery grade source option and a direct shipping of bauxite option

It is anticipated that this program will include both vacuum and diamond drilling with the areas to be tested as shown in Figure 3 (refer to link below).

The current 73.3 Mt Felicitas bauxite resource is;

- situated on a small number of large private landholdings;

- located approximately 100km north east of Perth being 10km from the town of Wundowie;

- the majority of the resource defined to date is less than 5km from existing rail infrastructure with its closest point
within 1km of the existing rail link to Fremantle/Kwinana Port approximately 100km away, and

- the area is bounded to the west by state forest, to the north and east by existing quarry operations, and to the
south by farmland.

The Company considers that extension of the Felicitas resource will assist the BAJV in achieving its stated aim of defining a refinery grade bauxite deposit to underpin the prospects of development of a long term alumina refinery for the joint venture. Whilst considerable effort will still be required to achieve this objective the Company is very pleased with the results achieved by the BAJV team thus far.

The Company also notes that portions of this deposit are likely to meet the minimum criteria for DSO bauxite suitable for direct sales to third parties either locally or via export to a growing market in China that has a demonstrated supply deficit. The above program will form an important part of detailed technical and economic studies aimed at defining direct shipping and refinery options for the Felicitas bauxite.

Current Felicitas Resource Details

The Felicitas deposit is situated on granted exploration tenements E70/3159, E70/3900 and E70/4021. It is comprised of a bauxite horizon of 2m to 16m thickness that is typically covered by 0.5m to 2m of loose overburden. The initial resource estimate, completed by Runge Limited, was based on 3,624 vertical holes drilled for 24,085 metres on a nominal 80m x 80m drill pattern. The available alumina and reactive silica results quoted are based on low temperature bomb analysis (143°C), and the results indicate that the majority of alumina present is as the tri-hydrate mineral gibbsite.

The deposit exhibits relatively low reactive silica levels, and the ratios of available alumina to reactive silica of nearly 16:1 are considered to be suitable in either a low temperature or a high temperature refinery.

The deposit is considered to have further resource growth potential as drilling programs to date have yet to fully test the lateral extent of the mineralisation and it is therefore not closed off. Table 1 below provides the current (June 2012) JORC categorised bauxite resources at Felicitas.

The Felicitas deposit is the largest of the resource bases that BRL and its joint venture partners have defined within the northern Darling Range of Western Australia. Table 2 below provides a summary of the total bauxite resources, the relevant joint venture and the portion of the resource attributable to BRL.

Location & Logistics

The Felicitas deposit is wholly contained within cleared farmland over which native title has been extinguished. It is approximately 10km north of Wundowie and 100km north northeast of Perth (Figure 1). The deposit is situated on a small number of large private landholdings readily accessible by road that have been cleared for farming and grazing, and which are located less than 5km from existing rail infrastructure and approximately 100km kilometres to the Kwinana port. Importantly, access to the existing rail infrastructure does not require significant access to local roads for haulage.

Bauxite Market Prospects

China is the Asia Pacific regions principal market for bauxite, alumina and aluminium. Up until May 2012, 79% of China’s bauxite came from Indonesia, however, bauxite exports from Indonesia dramatically reduced with their government’s introduction of restricted exports on a number of unprocessed minerals where mining licences were issued after 2009, as well as additional taxes on all minerals exports. This provides an opportunity for local Australian bauxite producers to provide a stable supply into Chinese markets.

Corporate & Joint Venture Details

BRL holds in excess of 25,000km2 of the highly prospective Darling Ranges in the southwest of Western Australia under granted tenure (15,441km2) and tenement application. As at 30 September 2012, BRL held $47.05 million (consolidated) at bank and retained no bank debt. The company is focussed on definition and development of bauxite resources within its granted tenement area.

On 1 April 2011, Bauxite Resources and Yankuang Group commenced the Bauxite Resources Joint Venture and the Alumina Refinery Joint Venture (collectively BAJV). The joint ventures aim to prove up a minimum of 90 million tonnes (Mt) of refinery grade bauxite resource and to complete a feasibility study into the viability of building a refinery in Western Australia capable of producing a minimum of 1.1 million tonnes per annum of alumina. The BAJV may also consider the shorter term option of mining bauxite for direct sales to third parties (“DSO”). As part of the BAJV agreement, in 2011 the Company received the sum of $9 million from Yankuang Group for the reimbursement of past exploration costs. In addition, Yankuang will continue to pay 70 percent of the cost of all future exploration and mining for bauxite in return for a 70 percent interest in the bauxite rights within the JV tenements. The proposed refinery is subject to a bankable feasibility study (BFS), site selection, all regulatory approvals and substantial commencement within five years and five months of the agreement date. Subject to all necessary approvals and the decision by the parties to proceed under the BFS, Yankuang will pay 91 percent of the refinery construction costs and receive 70 percent of the alumina product. Bauxite Resources will fund 9 percent of the refinery construction cost and receive 30 percent of the alumina product and receive assistance from Yankuang to arrange financing. As part of the financing assistance Yankuang has committed to off take 50% of BRL’s share of alumina production for 10 years.

On 30th July 2010, the Company entered into a bauxite farm-in and joint venture agreement with HD Mining & Investment Ltd (HDM) a wholly owned subsidiary of Shandong Bureau No.1 Institute for Prospecting of Geology & Minerals, (Shandong). HDM is currently working towards obtaining 40% interest in the bauxite rights of several tenements wholly owned by BRL. This interest will be triggered if HDM enters into a binding

commitment to undertake a mining feasibility study on the tenements. Should HDM and BRL make a decision to mine, then HDM will earn an additional 20% interest in bauxite rights on the tenements. BRL maintains 100% interest in other minerals.

View the complete Bauxite Resources announcement including Tables and Figures at the link below:
http://media.abnnewswire.net/media/en/docs/ASX-BAU-614208.pdf

About Bauxite Resources Limited:

Bauxite Resources Limited (ASX:BAU) was established in May 2006 to become a part of the bauxite and alumina industries in Western Australia where four of the seven Australian alumina refineries and four of Australia's bauxite mines are located. The Company listed on the Australian Securities Exchange (ASX) in October 2007.

Bauxite Resources is the largest tenement holder in the Darling Range with approximately 24,000 km2 of ground. This area in south-west Western Australia is acknowledged as the largest producing alumina region in the world supplying approximately 23% of global production.

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