

Bauxite Resources Limited Fortuna Resource Upgrade Delivers Higher Grades

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Perth, Australia (ABN Newswire) - [Bauxite Resources Ltd.](#) (ASX:BAU) (OTCMKTS:BXRDF) ("BRL" or the "Company") is pleased to announce a resource update for the Fortuna bauxite deposit in the Darling Range, Western Australia. BRL retains 100% beneficial interest to the bauxite.

The resource is located on two private landholdings (farms) located ~60km north east of Perth, and 10km from the township of Wundowie (See Figure 1 in link below). Existing rail infrastructure is situated ~15km to the north providing a link to the Kwinana port around 120km away.

Table 1 (also see link below): Total Fortuna Deposit Resource Classification

JORC Classification	Quantity (Mt)	Al2O3% (total)	Al2O3% (available at 1480)	SiO2% (total)	SiO2% (reactive at 1480)
Measured	-	-	-	-	-
Indicated	6.3	40.2	34.0	5.7	1.9
Inferred	33.9	38.5	31.8	5.6	1.7
Total	40.2	38.8	32.1	5.6	1.8

- Note - all grades are unbeneficiated
- Full Resource details appear in JORC list of reporting criteria for Fortuna resource can be seen in link below

The previous resource estimate announced in September 2013 stood at 39.5Mt at 28.8% available alumina. The current update has resulted from the analysis of 3,395 samples, which were originally assayed using Fourier Transform Infra Red (FTIR), by the preferred low temperature BOMB digest analysis in order to improve the quality of the data used in the estimate.

The previous estimate based principally on FTIR was found to be under calling available alumina at the higher end of the grade range. The resource wireframes have been re-interpreted based on the new grades.

Commenting on the resource upgrade, BRL CEO Peter Canterbury said, "The upgrade of the Fortuna resource is a material improvement in the low temperature digestion available alumina content of the Fortuna deposit and allows the Company to target this product as a genuine DSO without the need for any beneficiation, unlike several of our Australian competitors.

"We have a deposit which is easy to mine, requiring no beneficiation, located close to existing rail and port infrastructure. This offers a low CAPEX start-up opportunity. The Company is now engaging engineering consultants to scope out the project from mine to port. The deposit is differentiated from its peers by its location, its predominantly gibbsite bauxite form and its low reactive silica qualities which are the key reasons why Darling Range alumina refineries are among the most cost competitive in the world.

"The resource upgrade combined with a strengthening outlook for both the short and long term bauxite market improves the project economics," he added.

Forward Work Plan

The Company has this week awarded the Fortuna Concept Study to AMC Consultants ("AMC") a leading independent mining consultancy, providing services exclusively to the minerals sector. AMC will conduct the project scoping study covering the geology, mining, processing, infrastructure and economics of the Fortuna

Bauxite Project based on a DSO operation. The study will examine the viability of an operating rate in the range of 2-4 million tonnes per annum.

In parallel to this BRL has engaged Bauxite Alumina Consulting Service ("BACS") to undertake a technical bauxite market evaluation of the Fortuna bauxite. BACS has over 30 years of technical bauxite and alumina experience and capability in the value in use evaluation of various bauxites.

Bauxite Market Update

In January 2014, the Indonesian Government confirmed the ban on bauxite exports from Indonesia would remain. It is estimated ~42 million tonnes of bauxite was exported last year from Indonesia to China. Combined with other imports, China has built up an estimated 12 month stockpile of required bauxite imports.

According to "The CBIX Bauxite Index", China's imports of bauxite reached 1.58Mt in April 2014, down 76.59% year on year. During the first four months of the year, bauxite imports totalled 14.47Mt, down 29.92% year on year. No Indonesian bauxite imports have been reported since April and imports of Australian bauxite dropped 23.43% year on year to 1.02Mt in April.

It is expected that China's bauxite import inventory will continue to shrink during the June quarter of 2014, and imports of non-Indonesian bauxite will increase. Once these stockpiles are exhausted, it is expected that China will require several new significant sources of imported bauxite to satisfy demand out of China. This anticipated rise in demand has led to an increase in bauxite prices over the past few weeks.

Australia logically is well placed to supply this demand and Western Australia is currently the largest bauxite producing region in the world. BRL's bauxite resources located near existing rail infrastructure provides an opportunity for a low capital cost operation and nearer term start-up of direct shipment export of bauxite from Western Australia. Australia's proximity to China means Australia has a logistical advantage to many other alternative supply sources and positions the Company well to take advantage of the increase in demand for Australian bauxite.

According to CRU forecasts, longer term bauxite demand from China is anticipated to reach 95 million tonnes by 2022, representing a two and a half fold increase from the 38 million tonnes imported into China in 2012. CRU is also forecasting that the global bauxite market is in the midst of a structural change which will see a sizable number of new entrants into the market in the next decade, in the form of junior miners. According to CRU Australia is expected to dominate the group in bauxite exports and officially become the largest exporter of bauxite to China.

To view table 1, figure 1 and figure 2 and the JORC list, please visit:
<http://media.abnnewswire.net/media/en/docs/ASX-BAU-681360.pdf>

About Bauxite Resources Limited:

Bauxite Resources (ASX:BAU) is one of the largest tenement holders in the Darling Range with approximately 17,000 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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