

Bauxite Resources Limited: June 2016 Quarterly Report

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Perth - [Bauxite Resources Ltd.](#) (ASX:BAU) are pleased to provide the Company's June 2016 Quarterly Report.

Highlights:

- Proposed 5 cent per share return of capital was approved by shareholders on 10th June 2016 and the payment was completed on 21 June 2016
- Lort River Lithium Project application tenement was secured between [Pioneer Resources Ltd.](#) and [Metalicity Ltd.](#) tenement holdings between Ravensthorpe and Esperance in Western Australia
- Final funds received from the sale of BRL's interest in the BAJV, and the rights for the Fortuna deposit were approved confirming the royalty of the equivalent of 50c/tonne* on the first 100 million tonnes mined from the tenements
- Cash at bank at 30 June 2016 was A\$16.9m following the Capital Return of \$10.7m during the quarter. The Company has no debt and additional assets including two rural properties in the Bindoon area of Western Australia
- Exploration activities continued at minimal levels on the HD Mining (HDJV) tenements with agreement reached with HD Mining to pay outstanding JV costs during the quarter. A budget has been agreed for 2016/2017 with BRL to recommence exploration activities, fully funded by HD Mining. The current resource base is 87.8Mt - HD Mining have an 'earn in' of up to 60% on decision to mine
- BRL continues to consider further capital management initiatives and new investment opportunities within and outside the mining sector
- BRL's ongoing costs have been substantially reduced and the company will continue to review all costs going forward

* BRL's royalty right of 0.9% of the FOB price (presently estimated to be worth approx. 50 cents per tonne)

EXPLORATION ACTIVITIES UNDERTAKEN UNDER THE JOINT VENTURE WITH HD MINING

Background

In 2010 the Company entered into a JV with HD Mining & Investment Pty Ltd (HD Mining) a wholly-owned subsidiary of the Shandong Bureau No1 Institute for Prospecting of Geology & Minerals (Shandong) to explore for bauxite. The JV provides for HD Mining to fund 100% of exploration and feasibility costs for HD Mining to earn:

- (a) a 40% interest in any defined area of exploration on the making a binding commitment by HD Mining to undertake a detailed feasibility study for the commercial mining of the defined area; and
- (b) a further 20% interest in a defined area upon completion of the feasibility study and the making by the JV committee of a decision to commence mining.

Current Activities

Current fiscal restraints advised in the last quarter led to HD Mining deferring a decision to commence a feasibility study, and a reduction of exploration to minimal levels. Negotiations have now been concluded and a budget for 2016/2017 has been agreed that will allow exploration to recommence. HD Mining will continue to fully fund all exploration, and it has now also paid its outstanding JV contribution commitments.

NEW EXPLORATION PUSH INTO LITHIUM PROJECT

Bauxite secured an application exploration licence E74/595 on ground prospective for Lithium.

Lort River Lithium Project - E74/595

The Lort River Lithium Project is located between Ravensthorpe and Esperance and approximately 120 km east of the Mt Cattlin Lithium Mine in Western Australia, Figure 1 (see link below). The project comprises an exploration licence application that covers 68 graticular blocks.

The application lies between [Pioneer Resources Ltd.](#)'s recently pegged leases to the east (E74/581 and E63/1776) and [Metalicity Ltd.](#)'s tenement (E74/574) to the west.

A Geoscience Australia stream sediment sample taken in the south of the tenement returned an elevated lithium value. Publically available soil geochemistry sampling is limited within the tenement however extensive soil geochemistry lithium anomalies exist along structural trends immediately adjacent to the tenement.

Assessment of the project area and advice of the planned exploration work programs will be provided in due course.

CORPORATE

Return of Capital

Following a review of the Company's funding requirements for its operations, projects and working capital the board identified surplus cash to the Company's requirements and consequently proposed a capital return of 5 cents per Share to Shareholders.

The return was proposed on 29th April 2016, approved by Shareholders at its Extraordinary General Meeting on 10th June 2016 and paid out on 21st June 2016 and has resulted in a reduction of cash in the order of approximately \$10.7 million, leaving the Company's with its current cash reserves of \$16.9 million.

The Company believed the capital return was in the interests of all Shareholders and provided a return of excess capital to our loyal Shareholders leaving the Company with sufficient funds to progress its business development activities following the sale of its interest in the BAJV to its Chinese JV Partner Yankuang.

Finalisation of the of Sale BRL's Interest in BAJV

Final funds were received from the sale of BRL's interest in the joint ventures with its Chinese partner Yankuang Resources. Mercator Metals Pty Ltd also executed the Deed of Variation & Assumption on the Fortuna tenement required under the Yankuang Sale Agreement to approve the assignment of the Fortuna bauxite rights on 20 April 2016.

This now allows for the Fortuna tenement to be included in BRL's royalty right of 0.9% of the FOB price (presently estimated to be worth approx. 50 cents per tonne) from the sale of the first 100 million tonnes of bauxite mined from the Felicitas and Fortuna tenements.

Cash Position and Shareholder Information

Bauxite Resources is in a strong financial position with significant cash reserves and no debt. As at 30 June 2016 the Company held AU\$16.9 million in cash.

Future Operations

The Board continues its focus on identifying new opportunities both within and outside the mining industry and is undertaking reviews of new projects.

The Company's current cash burn rate has been reduced significantly, and it is expected to maintain these levels in the near term with surplus assets continuing to be reviewed and rationalised in an orderly manner as markets allow for reasonable prices to be achieved.

The Board will continue to manage the Company in the best manner in which to maximise returns to shareholders and these may include additional capital management initiatives.

To view the full report, please visit:
<http://abnnewswire.net/lnk/QSCZ01VS>

About Bauxite Resources Limited:

Bauxite Resources (ASX:BAU) (OTCMKTS:BX RDF) was established with a substantial tenement holding in Western Australia to develop new bauxite supply for the global alumina/aluminium industry. The Company listed on the Australian Securities Exchange (ASX) in October 2007.

The Darling Range in the south-west of Western Australia (WA) is the world's largest bauxite mining and alumina refining region producing around 20% of the world's alumina. This area has mined bauxite and refined alumina since the 1960s. These industries are leaders in sustainable resource development and represent the fifth largest sector of WA's resource industry.

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