BAUXITE Resources Ltd (BRL) held a formal Signing Ceremony in Perth on 13th May 2009 cementing the Placement Agreement reached with the Shandong Provincial Bureau of Geology and Mineral Resources (SDGM).

The ceremony was attended by Ms Zheng, Director-General of SDGM, Mr Meng General Manager of Shandong No 1 Institute for Prospecting of Geology and Minerals and their Shandong delegation. The event was also attended by representatives from Fremantle Port, WA Department of Minerals and Petroleum, WestNet Rail and other strategic infrastructure and service providers, as well as stockbrokers and investors.

The terms of the placement is equivalent to 15% of BRL’s current issued share capital, being 19,700,000 shares at an issue price of 50 cents raising A$9,870,000.

The Placement Agreement is conditional on obtaining all necessary Chinese regulatory approvals and Australian Foreign Investment Review Board (FIRB) approval, due by 19 June 2009, with placement funds to be received prior to 30 June 2009.

Agreement was also reached on amendments to the non-binding Key Terms for the proposed Darling Range Farm-In and Joint Venture Agreements (JV). This JV will provide for the inclusion of an area of 1,000 square kilometres “greenfields” tenement from BRL’s current Darling Range tenement holding of 14,400 square kilometres to be available for SDGM to explore for bauxite in terms that:

- BRL to have a 40% interest in the proposed JV;
- BRL to have a free carried interest to Bankable Feasibility Study (BFS) and decision to mine stage in the proposed JV;
- SDGM to have a 60% interest in the proposed JV;
- following a BFS and decision to mine, each of the respective parties contribute in accordance with their respective interests;
- BRL to direct the exploration and in the event of a mineral discovery to manage the mining operation, and
- the proposed joint venture is not to conflict with BRL’s business.

The BRL Board is extremely pleased with the developing relationship that has taken place between BRL and SDGM over the past 6 months with the mutual visits and the strengthening of a long term “strategic relationship”.

The approval has been received for BRL’s Placement Agreement with SDGM. Approval is now needed from the Chinese regulatory bodies with the placement funds to be received prior to 30 June 2009.

Key Points:
- PLACEMENT OF 19,700,000 SHARES AT 50CENTS RAISING $9.85M
- FARM IN KEY TERMS AMENDMENT ALLOWS FOR SDGM TO EXPLORE FOR BAUXITE ON 1,000KM² “GREENFIELDS” OF BRL’S 14,400KM² TENEMENTS
- BAUXITE JOINT VENTURE TO BE SPLIT 40% BRL & 60% SDGM
- BRL TO HAVE FREE CARRY TO BFS STAGE
Bulk Sampling Underway

BULK sampling operations are underway in the North Darling Range Project area as a forerunner to mining operations; initially targeting around 150,000 tonnes of Direct Shipping Ore (DSO) quality bauxite.

Initial results from Mineralogical Characterisation studies on representative samples from the Bindoon North region confirmed that the mineralisation present is premium bauxite, being gibbsitic in nature with low reactive silica. This type of bauxite is suitable for digestion in a conventional Bayer Refinery at low temperature and low pressures with low caustic soda consumption.

Trial operations follow on from initial JORC compliant Inferred Resource comprising 18.2 million tonnes at 43.1% Total Al₂O₃, 31.6% Available Al₂O₃ and 3.2% Reactive SiO₂. Also underpinned by recent, extremely positive drilling results as well as successful negotiations with landowners and contract miners.

It is planned to extract bauxite ore under an Extractive Industries Licence (EIL) on private, sub-economic freehold degraded farmland, and transported through existing infrastructure to a stockpile storage area close to the Kwinana port for direct loading onto Handimax-class ships.

Costean Trial Trade Samples

Ten bulk sample trenches were extracted to an approximate depth of three meters at the North Darling Project.

The ten trenches yielded sufficient quantities of bauxite to be used for bulk processing and samples, trialling new grinding technology and rail/port trials.

A Vermeer trenching machine was used for the sampling resulting in 21 bulk samples of surface material.

The sample trenches showed signs of minimal or no caprock. This will allow BRL to investigate alternative mining methods such as using scrapers to directly extract the material or for dozers to stockpile without ripping.

This will allow BRL to:
- Extract material at a higher rate in an undisturbed state
- Control grade more effectively
- Reduce operating costs
- Less handling of material
- No primary crushing necessary, secondary crushing only.

Planning is under way for the construction of a temporary stockpile and train loading area at the rail siding for the North Darling Project.

Diamond Drilling - Underway

BRL conducted diamond drilling to assist planning of the 300 tonne bulk sample from the North Darling Range Project discussed above. Drilling intersected 2 – 6 metres of friable bauxite mineralisation beneath 0.5 – 1.5 metres of colluvium.

BRL also trialled vacuum and aircore rigs during May to determine the most cost effective methods for resource definition drilling. Based on results from this work BRL will complete resource definition drilling over a proposed starter pit in June 2009.
main driving force behind the world alumina market’s sharp move back into a position of surplus. Reports show world alumina demand is expected to grow by over 40Mtpy during the period 2008 to 2013. China is expected to be a leader in supporting this increasing demand and as such there is opportunity for bauxite suppliers to have growing market presence within China. A number of large, economic bauxite deposits have been discovered in the last three decades in many areas throughout China. However, according to the Market Outlook for Alumina 2008, “the availability of domestic bauxite in China will be problematic in the near future due to the insufficient supply”. Chinese market reports have also indicated that China’s own bauxite resources will run out in 10 years. BRL strongly believes that the Shandong Province is an important market for its DSO project.

Shandong Province background

CHINA’S Shandong province is situated along the country’s eastern coastline, the majority of the province forming part of the flat North China Plains with the Yellow River flowing to the sea in the North West. The hilly Shandong Peninsular in the East creates over 300km of coastline and divides the Bohai Sea in the north and the Yellow Sea in the south and east providing a communication hub on China’s coastline.

Shandong province has large mineral resources which are economically important in China. Due to the rich natural resources, Shandong’s minerals processing industries and energy industry are well developed. Smelting and processing of ferrous metals in Shandong form the largest portion of industrial output and, as one of the fastest growing economies in China, the province has potential for mineral imports to support its increasing strong economy.

In recent years, China has concentrated on securing its upstream production in the aluminium sector, evidenced by the explosive growth in Chinese alumina capacity. This has ultimately been the

Alumina refineries in China

Location of Chinese Bauxite Reserves

- 20-30%
- 10-20%
- 0-10%

Shandong Province background

ON 14th May 2009, the Shandong delegation, headed by Ms ZHENG Jinlan, Shandong Provincial Bureau of Geology & Mineral Resources, conducted a field trip to BRL’s tenements in the Darling Range and inspected the infrastructure projected to support BRL’s proposed refinery/smelter projects.

As part of the process for approval of the equity placement, the fact-finding inspection proved to be rewarding and fruitful. Travelling along the Range, BRL’s guests have been impressed by the vastness of BRL’s tenements containing potentially abundant bauxite as well as convenience of access from BRL’s ground to all the infrastructural facilities including roads, rails, ports and energy.

Having observed the efficient mining operations of BRL’s mining contractor, the delegation showed great interest in the occurrence of Darling Range bauxite which lies just on the surface with shallow toppings and thus easier to be quarried as compared with underground mining of bauxite, mainly boehmite, in China.

The delegation has also toured Berth 8 at Bunbury port, BRL’s planned terminal for export of bauxite, and Kemerton Industrial Park designed by the WA government to develop industry in a world-class location, a potential site for a refinery and smelter.

MARKETING UPDATE - SDGM SOUTH WEST FIELD TRIP

SDGM field trip 14 May 2009

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Over the last 50 years, SDGM has discovered, assessed and invested in some 81 mineral projects worldwide including:

- 167 gold mines with proven reserves accounting for 25% of the country’s total;
- The first original diamond deposit with a reserve of 3.49 carats;
- Proved iron ore deposit of over 2 billion tons;
- Coal deposits of more than 25 billion tons; and
- Sapphire deposits of over 1,445 kilograms.

SDGM has completed over 3,000 projects in relation to geological services, generating 10 trillion RMB in value to the Chinese economy.

The Bureau has been involved in many exploration and development projects in more than a dozen countries as well as in other parts of China. These projects include geotechnical surveys and foundation-lying works pertaining to the construction of airports, rails, cableways and sports facilities such as the Beijing Olympic Games venues.

For further information visit: www.sddkj.com

Shandong Province
MOORAMURRA meaning ‘place of good camping and place of good spirit’ in the indigenous language of the region, is named after the spring that runs off the western slope of the BRL property earmarked for the Mooramurra Wildlife Sanctuary.

BRL unveiled the Mooramurra Wildlife Sanctuary at the Company’s third birthday celebration held in Perth on 13th May 2009. The site for the Sanctuary is in the Bindoon region currently in concept stage with a broad strategic vision to create an ecotourism facility for the region while generating a community-based employment and volunteer program.

The Company’s long term goal is to help save the endangered Woylie, in conjunction with ‘Fences for Fauna’ and a scientific breeding program with the Department of Environment and Conservation (DEC).

BRL believes that only together with the broader community can the Company realise the return of the woylie an iconic Western Australian fauna species.

BRL is committed to the long term prosperity of the Bindoon region and believes with community engagement, help from volunteers and sharing with others, the critical importance of bringing the woylie and other endangered wildlife back to sustainable population levels can become a reality.

In five years the total woylie population dropped by 80 per cent to fewer than 10,000 animals, a faster decline than polar bears or the Tasmanian devil.
WOYLIES are small nocturnal marsupials, about 30cm long weighing between 1 - 1.5kg. They once ranged through a large part of south western Australia and are now reduced to small isolated pockets in total numbering less than 5,000.

WOYLIES are surface forage animals and make small diggings primarily for underground fungi as well as seeds, tubers and bulbs. These diggings help water seep into the ground and distribute nutrients through the soil. Fungal spore survive the Woylies’ digestive system and are dispersed around the undergrowth in Woylie scats (droppings). These natural nutrients and the Woylies’ squirrelling action in gathering and storing seeds helps disperse and revegetate native flora species.

The reintroduction of the fauna such as the Woylies in tandem with sandalwood plantations as part of BRL’s Environment Program creates a perfect synergy for native flora and fauna, an environmental win-win for all stakeholders.

Sandalwood is an ideal native species for environmental rehabilitation as this tree needs other native trees as a host. Introduction of native host trees creates a diverse flora, in turn encouraging diverse fauna.

Restoration of the natural environment to pre-land clearing and farming is the long term goal in BRL’s Environmental Program.

Dr Adrian Wayne from DEC with Brad Farmer, BRL’s Environment Manager reported in The Advocate
BAUXITE Resources Ltd launched in May 2006 with a mission to become initially a significant bauxite miner and subsequently an alumina producer. BRL is currently the largest tenement holder in the Darling Range with approximately 14,400 km² of ground. This area in south west Western Australia is acknowledged as the largest producing alumina region in the world supplying approximately 18% of the world’s production and the location of Alcoa’s Huntly Mine, the world’s largest bauxite mine.

For more information visit: www.bauxiteresources.com.au

Chinese media coverage

June 4, 2009
China cash for Bauxite
Bauxite Resources is expected to confirm today it has received FIRB approval for a $9.85 million cash injection from SDGM.

THE AUSTRALIAN

Pure Speculation by Robin Brumby
May 4, 2009
Late on Friday Bauxite Resources (BAU) announced it had been approached by a government owned company from Shandong Province wanting to invest just under $10 million in the company. BAU closed at 30c but the Chinese are ready to pay 50c a share.

April 15, 2009
Saving the Woylie
THE endangered Woylie may be given a lifeline with a proposed Endangered Wildlife Sanctuary being discussed for Bindoon.

May 20, 2009
Design embraced
BAUXITE Resources has launched the design of its proposed Wildlife Sanctuary in Bindoon.

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Bauxite Resources (BAU) last 6 months share price

Bauxite Resources Third Birthday

BAUXITE Resources Ltd launched in May 2006 with a mission to become initially a significant bauxite miner and subsequently an alumina producer. BRL is currently the largest tenement holder in the Darling Range with approximately 14,400 km² of ground. This area in south west Western Australia is acknowledged as the largest producing alumina region in the world supplying approximately 18% of the world’s production and the location of Alcoa’s Huntly Mine, the world’s largest bauxite mine.

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