

BAUXITE RESOURCES LIMITED

MARCH 2019 QUARTERLY REPORT

Highlights

- The Company executed a binding terms sheet¹ with Urban Resources Pty Ltd to jointly exploit the Maralla Road Silica Sand deposit located in Bullsbrook, Western Australia (ASX release 21 January 2019)
- A JORC 2012 Inferred Mineral Resource of 10.7 million tonnes @ 99.8% SiO₂ has been completed on the raw sand at the Maralla Road tenement M70/326² (BRL (2019). Maralla Road Silica Sand Deposit Maiden Resource. ASX release 23 April 2019)
- After washing and spiraling the mined sand is expected to produce a product of 99.93% silica with Fe₂O₃ levels less than 0.015%
- Preliminary engineering works have been completed for the BRL funded additional equipment required to upgrade the current silica sand produced. Detailed engineering drawings and costings are underway
- The upgraded BRL/Urban washing plant is expected to be fully operational by the end of the calendar year with a maximum throughput capacity of 250,000 tpa
- The Company continues to liaise with a number of potential customers. Silica sand samples have been dispatched and negotiations on terms of trade are on-going
- Work has commenced on preparing detailed formal agreements between BRL and Urban
- Scout test pits have been completed on a second fully permitted Urban Resource Mining Lease confirming the presence of white silica sand
- Work continued on silica sand projects at Albany, Esperance and Gingin and hard-rock quartz projects in Halls Creek, South West WA and Far North Queensland
- The Company continues to seek a Joint Venture partner to assist in fast tracking the development and funding of the Albany Silica sand project following a high level of interest for offtake of the Company's silica products
- Work continued to evaluate the potential for economic development on HD Mining Bauxite JV tenements. The current bauxite resource base is 93.2Mt Inferred Mineral Resource and 1.5Mt Indicated Mineral Resource (refer full detail in the 23 April 2018 Announcement – 48% increase in Bauxite Resource at Ceres Deposit in Darling Range, WA). HD Mining have an 'earn in' of up to 60% on a decision to mine
- Cash at bank at 31 March 2019 was A\$4.26m. The Company has no debt and additional assets including two rural properties in the Bindoon area of Western Australia

30 April 2019



ASX Code: BAU

BAUXITE RESOURCES LTD

ABN: 72 119 699 982

DIRECTORS:

Robert Nash

Non Executive Chairman

Luke Atkins

Non Executive Director

Neil Lithgow

Non Executive Director

Zhaozhong Wang

Non Executive Director

**CHIEF EXECUTIVE OFFICER AND
COMPANY SECRETARY:**

Sam Middlemas

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1. Term Sheet through wholly Owned subsidiary Australian Silica Quartz Pty Ltd, and subject to satisfaction of conditions precedent previously announced.
2. Mining lease M70/326 is held by Stefanelli Developments Pty Ltd. An agreement between Urban and Stefanelli grants Urban the exclusive right to conduct mining on M70/326 subject to an owner royalty and options up to 30 June 2022. Negotiation is underway to extend the agreement for an additional 5 years to 30 June 2027

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BINDING TERMS SHEET WITH URBAN RESOURCES PTY LTD

BRL's wholly owned subsidiary Australian Silica Quartz Pty Ltd ("ASQ") has executed a binding term sheet with Urban to jointly exploit the Maralla Road Silica Sand deposit located in Bullsbrook, Western Australia.

The Term Sheet is subject to a number of conditions precedent including the procurement of an overseas buyer of at least 50,000 tonnes of Silica Sand at not less than \$70 per tonne, all necessary shareholder approvals being obtained, and the undertaking of a legal due diligence by ASQ's solicitors. The Term Sheet also provides for the parties to enter into a more formal and detailed agreement within 150 days.

Under the term sheet, ASQ will run the marketing and sales operations, and will fund the additional equipment up to \$1.25 million required to upgrade the current sand produced to the higher grades required to meet the overseas markets requirements. Urban will be the mine operator using its current staff and equipment (together with the additional equipment acquired by ASQ) with each party providing its services at cost and profits will be split equally.

MAIDEN MARALLA ROAD SILICA SAND DEPOSIT MINERAL RESOURCE

ASQ have completed a Mineral Resource estimate for the Maralla Road Silica Sand Deposit. The resource comprises an Inferred Mineral Resource of 10.7 Mt @ 99.8% SiO₂ and is reported in accordance with the JORC Code 2012 Edition.

Table 1 – Maralla Rd March 2019 Inferred Mineral Resource Estimate

Tonnage Mt	SiO₂ %	Fe₂O₃ %	Al₂O₃ %	CaO %	MgO Ppm	K₂O %	TiO₂ %	LOI %
10.7	99.8	0.02	0.01	0.003	24.1	0.003	0.05	0.07

This mineral resource estimate confirms that there is sufficient sand of adequate quality at the deposit to support an export operation as contemplated.

TESTING COMPLETED ON THE MARALLA ROAD SILICA SAND DEPOSIT

ASQ in collaboration with Urban, have completed metallurgical testwork on washed sand from the existing Urban mining operation. This preliminary testing included processing bulk samples of washed sand from the Maralla Road sand deposit through test spirals (Tables 2 & 3) (BRL (2019). High Grade Silica Sand Term Sheet for Operating DSO Export Venture Executed with Urban Resources - Update. ASX Release 21 January 2019)

Table 2 – Expected chemical specifications for washed and spiralled Maralla Road Silica Sand

Yield %	SiO₂ (%, by difference)	SiO₂ (%, by difference less LOI)	TiO₂ (%)	Al₂O₃ (%)	Fe₂O₃ (%)
95%	99.93%	99.85%	0.024%	0.012%	0.008%

Table 3 – Expected sizing specifications for washed and spiralled Maralla Road Silica Sand

Screen Aperture	% Retained	% Passing
1mm	0.01	99.99
0.710mm	1.53	98.46
0.500mm	16.30	82.16
0.355mm	34.75	47.41
0.25mm	27.46	19.95
0.180mm	13.21	6.74
0.125mm	5.58	1.15
0.090mm	0.86	0.29
0.063mm	0.11	0.18
0.045mm	0.01	0.17
Pan	0.17	0.00

PRELIMINARY ENGINEERING UNDERWAY

Urban Resources, on behalf of ASQ, have engaged process engineers to complete the engineering for the required plant upgrade on an EPCM basis. The preliminary design has been completed and the next phase will be detailed design drawings and final equipment selection. It is expected that the plant upgrade will include upstream classifying, spiral circuit, dewatering screen and stockpiling.

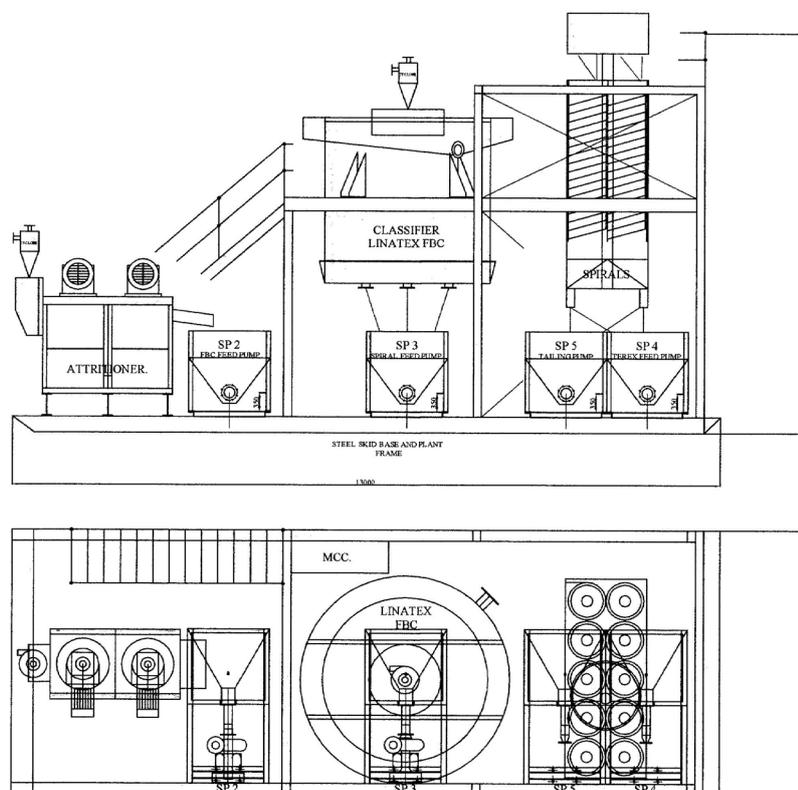


Figure 1 – Preliminary plant upgrade engineering plans

FORMAL AGREEMENTS BETWEEN ASQ AND URBAN

The Term Sheet requires that ASQ and Urban enter into Formal Agreements within 150 days of the Term Sheet execution. This process has now commenced with the drafting and finalisation of an agreement underway.

MARKETING COMPLETED TO DATE

Through the company's marketing activities ASQ has received over fifty enquiries relating to the company's silica sand and projects to date. Product specification sheets have been distributed to potential customers where applicable and silica sand samples have been couriered to potential domestic and international customers.

Ongoing negotiations are continuing with a view to securing offtake for the company's washed sand product or presales of the company's processed high grade silica sand product.

Potential customers have visited ASQ's projects in Albany and Gingin, WA. Currently the company is marketing two silica sand products to potential customers. It is planned that the company's product range will increase as additional processing capability is added.

SHIPPING AND LOGISTICS

Ensuring that a cost effective transport and logistics framework is in place is key to ensuring a sustainable operation. Ongoing work and negotiations to enable cost effective road transport and port logistics to facilitate this is underway. For international clients it is envisaged that ASQ will export a “free on board” (FOB) product. Negotiations with a number of shipping companies to determine shipping pricing is underway to assist with providing clarity of pricing for potential customers.

ANTICIPATED FORWARD TIMETABLE

	2019 Q2	2019 Q3	2019 Q4	2020 Q1
ASQ secures offtake partner(s) and letter(s) of Credit	[Progress bar from Q2 to Q4]			
Finalisation of shipping and logistics	[Progress bar from Q2 to Q3]			
Detailed engineering design for plant upgrade	[Progress bar from Q2 to Q3]			
Plant upgrade procurement and fabrication		[Progress bar from Q3 to Q4]		
Plant upgrade commissioning			[Progress bar from Q4 to Q1]	
Finalisation of Formal agreement between ASQ and Urban	[Progress bar from Q2 to Q3]			
Mining, processing and stockpiling commences			[Progress bar from Q4 to Q1]	
First shipment departs Western Australia				[Star icon]

Figure 2 – Timetable for the development of the Maralla Road Silica sand Export Project

TEST PITS COMPLETED ON SECOND URBAN MINING LEASE

Urban and ASQ completed a series of 15 test pits to a maximum depth of 4 m to investigate the potential for high grade silica sand deposits at Urban’s fully permitted mining lease M70/1329 located north of Perth approximately 10 km northwest of the Maralla Road sand deposit. White silica sand was observed in 5 of the test pits confirming the presence of white silica sand on Urban’s M70/1329.

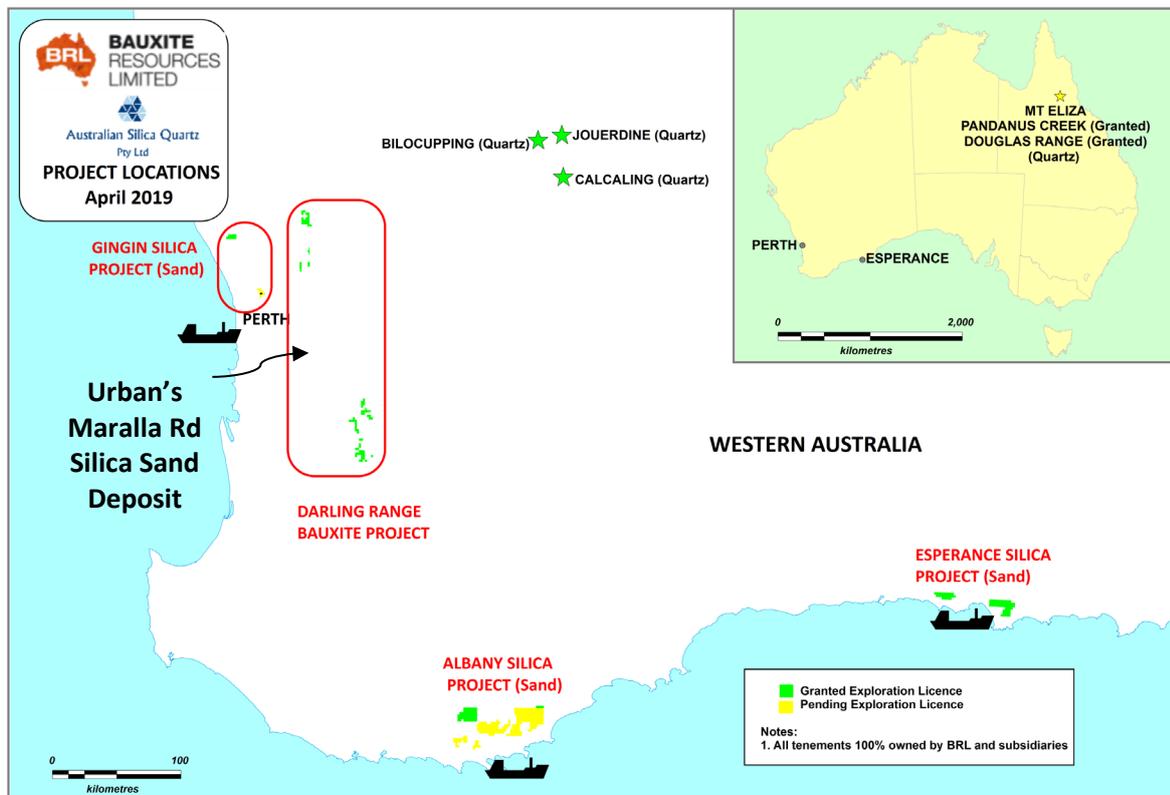


Figure 3: BRL Project Locations



SILICA SAND PROJECTS – GINGIN, ALBANY AND ESPERANCE

The Gingin Silica Sand Project consists of one granted and one application exploration licences located 20-70 km north of Perth, the Albany Silica Sand Project consists of two granted exploration licence and five exploration application licences within 10-70 km of the Port of Albany, the East Esperance Silica Sand Project consists of a single granted exploration licence and an application Exploration Licence 15-50 km East of the Port of Esperance and the West Esperance Silica sand Project consists of a single exploration licence application 15km West of Esperance.

Desktop assessment of historical exploration data across the several silica sand projects is well advanced along with investigations into logistics and market considerations. Areas of interest have been identified and land access options are being accessed.

Roadside grab samples from the four Silica Sand Projects have returned encouraging results consistent with historically reported grades. Selected samples have been processed by washing, screening and density separation to give an indication of potential product characteristics with results up to 99.94% SiO₂ (BRL (2018). *Silica Sand and Hardrock Silica Quartz Project Updates*. ASX Release 14 December 2017).

HARDROCK SILICA QUARTZ PROJECTS – WESTERN AUSTRALIA AND QUEENSLAND

The company has three granted exploration licences in the South West of Western Australia and three granted exploration permits in Far North Queensland. The leases cover known quartz deposits with the potential to contain high purity silica. Land access efforts are underway with preliminary fieldwork planned for the second half of 2019.

A research and development program is underway utilising samples collected from the companies tenement package. The program is investigating innovative processing techniques that could yield high purity product from high grade silica sand or quartz material.

BAUXITE EXPLORATION ACTIVITIES UNDERTAKEN UNDER THE JOINT VENTURE WITH HD MINING

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.

The current JV resource stands at 94.7Mt and consists of 93.2Mt Inferred Mineral Resource and 1.5Mt Indicated Mineral Resource (refer full detail in the 23 April 2018 Announcement – *48% increase in Bauxite Resource at Ceres Deposit in Darling Range, WA*).

BRL and HD Mining continue to evaluate the potential for economic development of the Dionysus and the combined Ceres/Athena resource areas (Athena: 36.2Mt, 32.8% available alumina, 2.8% reactive silica, see ASX announcement 15/07/14, Dionysus: 20.3Mt, 32.6% available alumina, 3.4% reactive silica, see ASX announcement 24/03/14, Ceres 21.9Mt, 31.4% available alumina, 3.2% reactive silica, see ASX announcement 23/04/18).

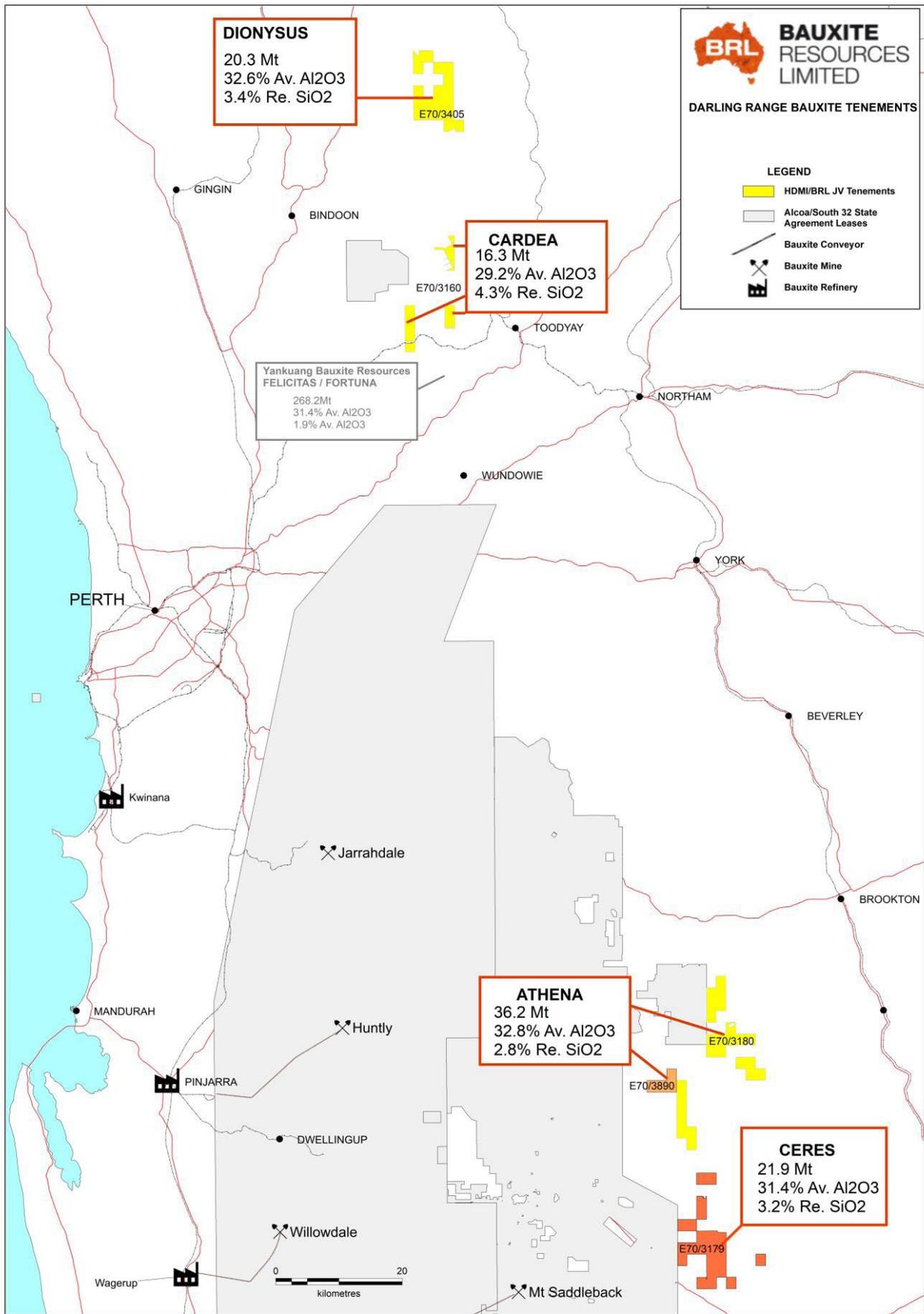


Figure 4 – BRL/HD JV Mining Darling Range bauxite tenement holding and resource locations



CORPORATE

Cash Position and Shareholder Information

Bauxite Resources is in a strong financial position with significant cash reserves and no debt. As at 31 March 2019 the Company held AU\$4.3 million in cash.

As at 31 March 2019 the Company had 1,021 shareholders and 214,422,336 fully paid ordinary shares on issue with the top 20 shareholders holding 73.41% of the total issued capital. It also has 16.5 million Performance Rights subject to a Performance Hurdles over 2 years, which if achieved will convert into 29.8 million fully paid ordinary shares.

Future Operations

The Board will continue to focus on its Silica and Bauxite Projects, and seek to enhance the value of these through exploration and development activities.

The Board will continue to manage the Company in the best manner in which to maximise returns to shareholders.

Sam Middlemas, CEO, Bauxite Resources Ltd

30 April 2019

Competent persons statement

The information in this document that relates to exploration results is based on data collected under the supervision of Mr Nick Algie, in his capacity as Exploration Manager for Bauxite Resources. Mr Algie is a registered member of the Australian Institute of Mining and Metallurgy (AusIMM) and has sufficient experience that is relevant to the type of deposit and style of mineralisation under consideration to qualify as a competent person under the 2012 edition of the "Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Algie consents to the inclusion of the data in the form and context in which it appears.

Forward Looking Statements

This report may include forward looking statements. Often, but not always, forward looking statements can generally be identified by the use of forward looking words such as "may", "will", "expect", "intend", "plan", "estimate", "anticipate", "continue", or other similar words and may include, without limitation, statements regarding plans, strategies, and objectives of management. Forward looking statements inherently involve known and unknown risks, uncertainties and other factors that may cause the company's actual results, performance and achievements to differ materially from anticipated results, performance or achievements. Forward looking statements are based on the Company and its management's good faith assumptions relating to the financial, market, regulatory and other relevant environments that will exist and affect the company's business and operations in the future. The Company does not give any assurance that the assumptions on which forward looking statements are based will prove to be correct, or that the Company's business or operations will not be affected in any material manner by these or other factors not foreseen or foreseeable by the Company or management or beyond the Company's control. Accordingly, readers are cautioned not to place undue reliance on forward looking statements.

SCHEDULE OF MINING TENEMENTS HELD AS AT 31 March 2019 (all 100% owned)

Tenement	Location/ Tenement Name	Status
E70/3160 (a)	Toodyay – Darling Range	Granted
E70/3405 (a)	Victoria Plains – Darling Range	Granted
E70/3179 (a)	Congelin – Darling Range	Granted
E70/3180 (a)	Dattening – Darling Range	Granted
E70/3890 (a)	Wandering – Darling Range	Granted
E63/1853	Merivale	Granted
E70/4983	Narrikup	Granted
E70/5070	Jouerdine	Granted
E70/5071	Bilocupping	Granted
E70/5072	Calcaling	Granted
EPM 26727	Pandanus Creek	Granted
EPM 26741	Douglas Range	Granted
E70/5058	Quin Brook	Granted
EPM 26702	Mt Eliza	Granted
E70/5184	Hassell	Granted
E63/1926	Telegraph Road	Granted
E70/4982	Green Range	Application
E70/5144	Warbrook	Application
E70/5202	Kalgan	Application
E70/5241	Redmond West	Application
E70/5242	Redmond East	Application
E70/5243	Redmond South	Application

- a) These tenements form the HD Mining & Investments Joint Venture. Under the terms of the Joint Venture, HD Mining is required to fund 100% of all exploration and feasibility costs to earn up to 60% of the bauxite rights. HD Mining is currently working towards obtaining a 40% interest in the bauxite rights on the tenements. This will be triggered if HD Mining enters into a binding commitment to undertake a feasibility study on the tenements. Should HD Mining and BRL make a decision to mine, HD Mining will earn an additional 20% interest in bauxite rights. BRL maintains 100% interest in other minerals. At the date of this report BRL still has 100% interest in bauxite on these tenements.

Appendix 5B

Mining exploration entity and oil and gas exploration entity quarterly report

Introduced 01/07/96 Origin Appendix 8 Amended 01/07/97, 01/07/98, 30/09/01, 01/06/10, 17/12/10, 01/05/13, 01/09/16

Name of entity

Bauxite Resources Limited

ABN

72 119 699 982

Quarter ended ("current quarter")

31 March 2019

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	37	194
1.2 Payments for		
(a) exploration & evaluation	(125)	(336)
(b) development	-	-
(c) production	-	-
(d) staff costs	(4)	(54)
(e) administration and corporate costs	(183)	(622)
(f) take-over defence	-	-
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	29	98
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Research and development refunds	-	58
1.8 Other (provide details if material)	-	-
1.9 Net cash from / (used in) operating activities	(246)	(662)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	-	(5)
(b) tenements (see item 10)	-	-
(c) investments	-	-
(d) other non-current assets	-	-

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
2.2	Proceeds from the disposal of:		
	(a) property, plant and equipment	-	-
	(b) tenements (see item 10)	-	-
	(c) investments	-	-
	(d) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	(5)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of shares	-	-
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (Capital Return approved 30/1/2018)	-	-
3.10	Net cash from / (used in) financing activities	-	-

4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	4,508	4,929
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(246)	(662)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	(5)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	-	-
4.6	Cash and cash equivalents at end of period	4,262	4,262

5. Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	262	208
5.2 Call deposits	4,000	4,300
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)	4,262	4,508

6. Payments to directors of the entity and their associates

	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	166
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	N/A
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	

Item 6 includes amounts paid to directors as follows:

Salary&Super	46
Consulting fee	100
Rent of premises paid to associates	20

7. Payments to related entities of the entity and their associates

	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

Mining exploration entity and oil and gas exploration entity quarterly report

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

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9. Estimated cash outflows for next quarter	\$A'000
9.1 Exploration and evaluation	453
9.2 Development	-
9.3 Production	-
9.4 Staff costs	20
9.5 Administration and corporate costs	220
9.6 Other (provide details if material)	-
9.7 Total estimated cash outflows	693

10. Changes in tenements (items 2.1(b) and 2.2(b) above)	Tenement reference and location	Nature of interest	Interest at beginning of quarter	Interest at end of quarter
10.1 Interests in mining tenements and petroleum tenements lapsed, relinquished or reduced	E70/5014 Redmond West	Withdrawal	100%	0%
	E70/5015 Redmond East	Withdrawal	100%	0%
	E70/5016 Redmond South	Withdrawal	100%	0%
10.2 Interests in mining tenements and petroleum tenements acquired or increased	E70/5241 Redmond West	Application	0%	100%
	E70/5242 Redmond East	Application	0%	100%
	E70/5243 Redmond South	Application	0%	100%

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here: .....
Company secretary

Date: 30 April 2019

Print name: Sam Middlemas

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 6: Exploration for and Evaluation of Mineral Resources and AASB 107: Statement of Cash Flows apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.