

**Second Supplementary Bidder's Statement for the Offer by
Mercantile OFM Pty Ltd (ACN 120 221 623) (Mercantile OFM)
to acquire up to 50% of the issued shares in Bauxite Resources Limited (ACN 119 699
982) (Bauxite Resources)**

Introduction

This document is a Supplementary Bidder's Statement given pursuant to Division 4 of Part 6.5 of the Corporations Act 2001 in compliance with the requirements of Section 645 of the Corporations Act.

It is the second Supplementary Bidder's Statement prepared by Mercantile OFM (**Second Supplementary Bidder's Statement**) in relation to the Offer from Mercantile OFM to acquire 50% of the issued shares in Bauxite Resources to be undertaken under Mercantile OFM's Bidder's Statement dated 21 November 2017 (**Original Bidder's Statement**).

This Second Supplementary Bidder's Statement supplements, and should be read together with, the Original Bidder's Statement and the first Supplementary Bidder's Statement dated 13 December 2017.

Defined Terms

Defined terms used in this Supplementary Bidder's Statement are capitalised and have the meaning given to them in Section 10 of the Original Bidder's Statement.

Increase in Bid Consideration

As announced to ASX on 19 January 2018, Mercantile OFM has varied the Offer to:

1. increase the bid consideration from 9.0 cents cash to 11.0 cents cash for one of every two Bauxite Resources Shares; and
2. extend the Offer Period to 7:00pm (Sydney time) on 28 February 2018.

The additional amount that Mercantile OFM would be required to pay for Bauxite Resources Shares if Mercantile OFM acquires 50% of all the Bauxite Resources Shares on issue in which it does not have a Relevant Interest is \$2,045,530 (**Additional Consideration**).

Mercantile OFM has received a further letter of commitment from its ultimate parent, Mercantile Investment Company Limited (ACN 121 415 576) (**Mercantile**), pursuant to which Mercantile has committed to loan Mercantile OFM the funds necessary to pay for the Additional Consideration (**Second Commitment Letter**). Other than the value of the commitment, the terms of the Second Commitment Letter are identical to those set out in Section 5.2 of the Original Bidder's Statement.

As at close of business on 24 January 2018, Mercantile OFM's voting power in Bauxite Resources was 9.2% comprising 19,717,018 Bauxite Resources Shares.

Authorisation

This Second Supplementary Bidder's Statement is dated 25 January 2018, the date it was lodged with ASIC. This Second Supplementary Bidder's Statement has been approved by a unanimous resolution of the Directors.

Dated: 25 January 2018

Signed for and on behalf of **Mercantile OFM Pty Ltd**



Gabriel Radzynski
Director