



BAUXITE RESOURCES LIMITED ACN 119 699 982

SEPTEMBER 2009 QUARTERLY REPORT

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ASX Code: BAU

BAU: 152m shares

Market Cap (30 September 2009)

BAU: A\$160 million (@\$1.05)

Cash: A\$14.5million

Directors:

Luke Atkins - Chairman

Dan Tenardi - Managing Director

David McSweeney - Non Exec Director

Neil Lithgow - Non Exec Director

Robert Nash - Non Exec Director

Paul Fromson - Company Secretary

BACKGROUND

Bauxite Resources Limited (BRL) launched in May 2006 with a mission to become initially a significant bauxite miner and subsequently an alumina producer.

By October 2007, following seed capital raising, BRL successfully listed on the ASX, raising \$7.5 million. The Company raised a further \$4.7million in options issue in January 2009 and has recently received \$9.85m in placement monies from SDGM.

BRL is the largest tenement holder in the Darling Range with approximately **16,800 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**.

The Darling Range has four alumina refineries; three of these are reportedly in the top five for lowest operating costs globally, principally due to the gibbsitic nature of the Darling Range bauxite, and its **low reactive silica of around 3% and negligible boehmite content**.

Bauxite Resources is primarily focused on defining an initial sustainable economic bauxite resource sufficient to support a >3Mtpa DSO bauxite project. In the longer term the Company is reviewing opportunities for the development of an alumina refinery and possible smelter.

The recent signing of MOU's with state-sanctioned Chinese interests has further strengthened BRL's position as an emerging bauxite resource entity.

EXECUTIVE SUMMARY

MINING COMMENCED IN THE NORTH DARLING RANGE PROJECT AREA

- ▶ BRL's inaugural mine opened on 6 August 2009 after receipt of Extractive Industries Licence (EIL) and Project Management Plan (PMP) in July.
- ▶ First trial sample spot ship load of 40,000t bauxite mined and ready for first shipment scheduled for early November.

INFRASTRUCTURE OPERATIONS

- ▶ Successful trial ore movement from mine to port.
- ▶ Road haulage from mine to rail siding continuing.
- ▶ Rail operations from siding to Kwinana port currently running smoothly.
- ▶ Kwinana port operations tested successfully.

LEADING CHINESE BAUXITE IMPORTER SIGNS MOU WITH BRL

- ▶ Hongfan Holding Ltd entered into non-binding Off-take Memorandum of Understanding (MOU) for supply of 1.25Mtpa of bauxite.
- ▶ The establishment of long term relationship and strategic cooperation to explore further opportunities for mutual benefit.

FURTHER MOU SIGNED WITH YANKUANG GROUP

- ▶ Heads of Agreement proceeding for a 50:50 Joint Venture Darling Range Alumina project.
- ▶ Including \$9.5M placement.
- ▶ 25% free carried interest to BRL in an alumina refinery.
- ▶ Management and operating contract for BRL.

INTERSTATE MARKETING ROADSHOW RAISES \$57M

- ▶ Successful raising from Institutions and sophisticated investors by way of placement of 60M shares at 95 cents.
- ▶ Capital to fund exploration and infrastructure for Direct Shipping Ore (DSO) operations and Refinery Bankable Feasibility Study (BFS).

MR MENG APPOINTED NON EXECUTIVE DIRECTOR

- ▶ Mr Meng Xiangsan, General Manager of the No1 Geological & Minerals Prospecting Institute of Shandong Province appointed Non Executive Director.

COMMENCEMENT OF BFS FOR STAGE 2 REFINERY

- ▶ BRL's Stage 2 Refinery Project gained Department of State Development (DSD) recognition with the allocation of DSD personnel to liaise and facilitate development of the Project Definition Document (PDD).

TENEMENT AREAS EXTENDED IN THE DARLING RANGE

- ▶ BRL now holds over 16,800km² in tenements, covering the three project areas, North Darling Range, South Darling Range and East Darling Range, covering 85 Exploration Licences (ELs), with four tenements granted and fifth pending, likely for grant early next quarter.

EXPLORATION - DRILLING PROGRAMME CONTINUES

- ▶ Drilling in the North Darling Range Hare's Hill and North Bindoon prospects is ongoing the Company continues to review high-grade targets.
- ▶ Follow up drilling in the South Darling Range project area commenced.

LAND ACCESS – ARRANGEMENTS CONTINUE ON PRIVATE FREEHOLD LAND

- ▶ Further prospective areas identified in the North Darling Range Project area.
- ▶ South Darling Range project - areas identified and prioritised for tenement grant to expedite land access.

MARKETING REPORT

- ▶ Bauxite samples sent to Chinese customers for appraisal and validation.
- ▶ Further spot shipment sales negotiations advanced.

**ANNUAL GENERAL MEETING TO BE HELD ON 30 NOVEMBER 2009 @ 9.30AM
3/159 ADELAIDE TERRACE, EAST PERTH WA 6004.**

RECENT DEVELOPMENTS FOR THE QUARTER

MINING COMMENCED IN THE NORTH DARLING RANGE PROJECT AREA

Mining operations commenced on 6 August 2009, with the first load of bauxite fed through the crushing and processing plant following the grant of an Extractive Industries Licence (EIL) and Project Mine Plan (PMP) for the North Bindoon bauxite mine. The initial EIL is for the extraction of 130,000 tonnes of bauxite ore and the construction of a haul road from the mine site to the main access road.

DSO PROJECT CONTINUES TO ADVANCE

The Company continues to advance its business case of defining an economic >30 Million tonne (Mt) bauxite resource as Stage I necessary to support a >3Mt per annum Direct Shipping Ore (DSO) bauxite operation to take advantage of cost savings attributed to economies of scale. It is envisaged this will come from a series of pits throughout the Company's North Darling Range tenements. During the year China has emerged as the principal potential market buyer of bauxite ore. China is estimated to run out of bauxite in nine years and has defied the global economic downturn with government fuelled investments that have generated an enviable reported 7% GDP growth.

REFINERY AND PLACEMENT MOU WITH YANKUANG GROUP CORPORATION LTD (YANKUANG)

Following on from the MOU signed in June 2009, Yankuang have signed a further non-binding MOU summarised as follows:

- 50/50 Joint Venture for the development of an alumina refinery situated in the Darling Range.
- Yankuang to fund 75% of the total refinery construction costs.
- BRL to have a 25% free carried interest.
- BRL and Yankuang to fund the bauxite exploration on a 51/49 basis respectively, to prove up a 150Mt bauxite resource necessary to support an alumina refinery.
- BRL to manage the exploration, processing and operations of bauxite.
- BRL to commit funding for the BFS of the refinery.
- BRL and Yankuang to supply the bauxite to the refinery on a 51/49 cost plus 15% basis; BRL to operate the refinery.

EXTENDED TENEMENT HOLDINGS THROUGH THE DARLING RANGE NOW TOTALLING OVER 16,800KM²

BRL's Darling Range tenements now cover 16,800km², totalling 85 tenement applications of which four have been granted. The Exploration Program has grown significantly in the South Darling Range and East Darling Range Project areas.

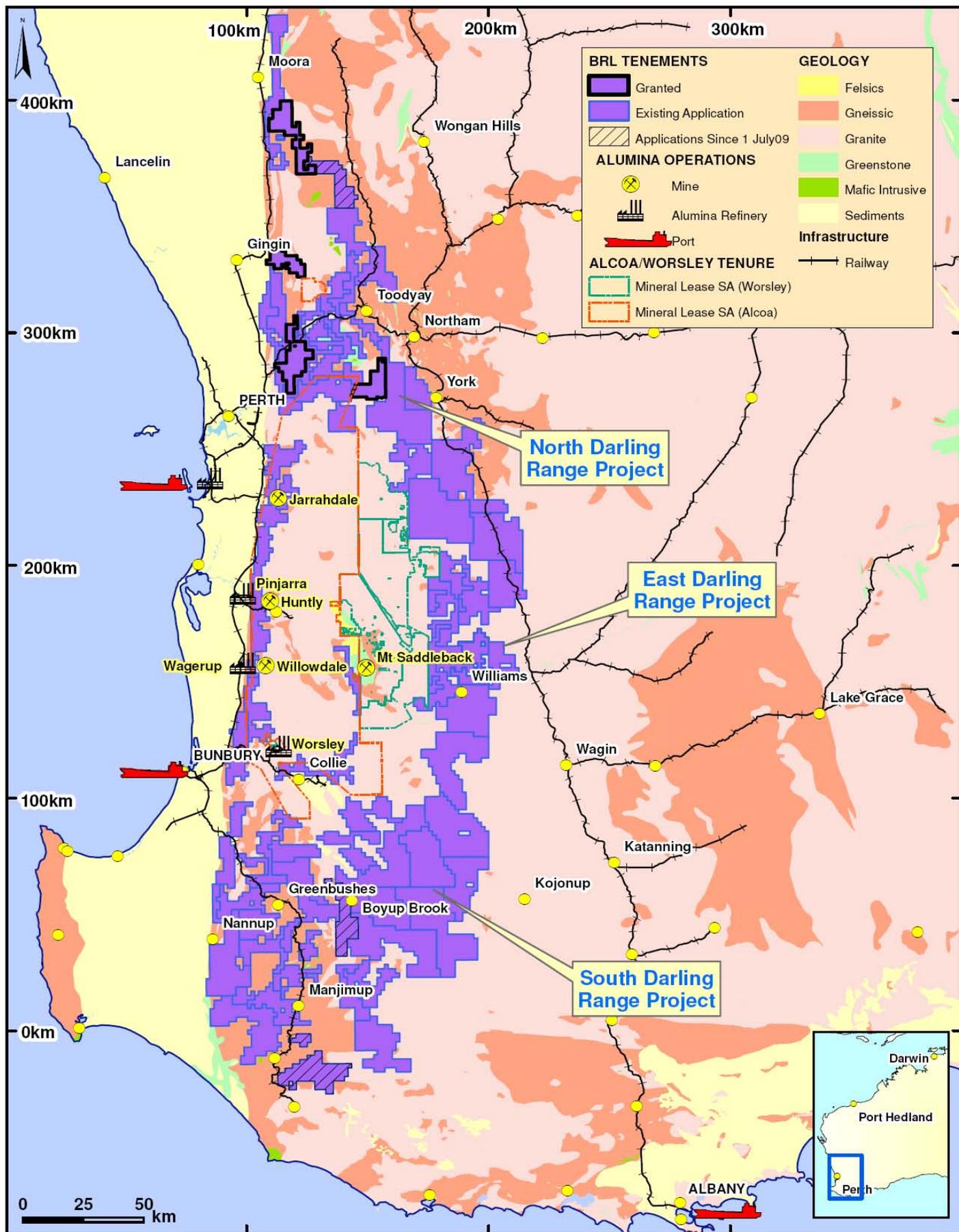
BRL's on-going mapping program was extended into the large block of tenements and application areas in the North Darling Range area. The drilling program has continued to focus on proving up resource definition for inaugural mining.

BAUXITE MARKETING – TRIAL REFINERY SAMPLE SPOT SHIPMENTS

BRL's marketing team continue to source potential buyers for bauxite ore and have a customer committed for the first three trial spot sample shipments. These are due for shipment in the fourth quarter and will help establish BRL as a credible source of bauxite supply. These trial shipments will also give the customer base in China sizable samples for testing to demonstrate the characteristics of premium Darling Range bauxite with its very low reactive silica and low boehmite translating to substantial refinery operating cost savings.



BRL DARLING RANGE TENEMENT MAP AS AT 30 SEPTEMBER 2009, TOTAL TENEMENT AREA OVER 16,800KM²



EXPLORATION PROGRAM – QUARTERLY UPDATE

Overview

The Company's exploration program continues with 1,563 vacuum holes drilled in the Bindoon and Brunswick Junction regions during the September Quarter. Drilling continues to return excellent grades and widths of mineralisation, providing further support for the Company's objective of defining sufficient bauxite mineralisation to sustain a 3Mtpa DSO operation. Drill results in the South Darling Range project confirm the existence of refinery and DSO grade material with work focussing on securing land access and regulatory approvals.

Additional Exploration Licences Obtained for the Quarter

BRL has applied for a further 7 Exploration Licences (ELs) in the Darling Range since June 2009. This brings the number of granted licences and applications to 93 tenements in the five project areas totalling approximately 18,800 square kilometres; 85 tenements are located in the North, South and East Darling Range project areas, six tenements in the Kimberley project area and two tenement applications in the new Northern Territory project area. Four of these licences have been granted in the North Darling Range Project area.

Target Generation

BRL is focusing exploration to meet its objectives of defining sufficient bauxite mineralisation for Stages I and II of the Darling Range Project. BRL continues with its planned systematic drilling program of targets situated close to existing infrastructure, including rail lines and ports.

The initial Stage I exploration program is targeting sufficient bauxite mineralisation to support the commencement of a 3 Million tonne per annum DSO operation for 10 years in the North Darling Range project area. The priority targets are those areas with historical data on Crown and freehold uneconomic to sub-economic degraded farmland close to existing infrastructure and services.

The Stage II exploration program is targeting sufficient bauxite mineralisation to support the commencement of a refinery in the South Darling Range project and a 1 Million tonne per annum calcined bauxite operation in the North Darling Range project. Exploration will focus on a combination of Crown Land and freehold farmland close to existing infrastructure and services.

Exploration Program

Exploration work for the June Quarter consisted of target generation, surface mapping, drilling and securing land access agreements.

Mapping Work Completed this Quarter

In the September quarter, BRL's on-going mapping programme was extended over applications in the Toodyay West, Bolgart, York and Brookton regions. This mapping confirmed the presence of extensive laterite plateaus indicating excellent potential for these tenements to host significant bauxite mineralisation.

Mapping in the Toodyay West area covered approximately 2,000km² in extent and concluded that there is good to very good potential for economic bauxite deposits in the area. The laterite outcrops occupy approximately a quarter of the total area and generally contain good aluminium grades. The laterite cap is deeply incised in places but large areas of the laterite cap have survived erosion in the central, northern and eastern parts of the project area.

Mapping was also completed in the Toodyay to Bolgart area. Good potential for economic bauxite deposits extends into this 1,800km² project area. The best aluminium grades appear to be located on the plateau to the north and south of the Avon Valley.

In the latter part of the September Quarter, the mapping programme has been extended into the company's tenement application areas in the East Darling Ranges. This area covers the upper Avon Valley and extends from York southward to the Pingelly area. The total area is approximately 3,000km². Fieldwork has been completed from York to Brookton and the mapping of the York to Beverley area is being completed at present. Bauxite outcrops in the Avon Valley are not as extensive as on the plateau to the west due to the longstanding erosion of the river. Furthermore, much of the laterite has been eroded and transported and the caprock is not intact in many areas. However, the aluminium grades of the remaining outcrops are often very high.

Exploration Program scheduled for September 2009 Quarter

Work planned for the December quarter will focus on resource definition drilling of a number of targets in the Bindoon and Bunbury regions. The exploration program will consist of the following:

- Continued reconnaissance mapping, sampling and target generation of the Darling Range projects.
- Resource definition drilling of high-grade targets in the North Darling Range area with the objective of defining sufficient bauxite mineralisation to support a 3Mtpa mining operations for 10 years.
- Scout and resource definition drilling of high-grade targets in the Bunbury region defining sufficient bauxite mineralisation to support a 1 Mt per annum DSO mining operation.
- Resource modelling of high-grade bauxite mineralisation defined by drilling in the North Darling Range region in the December Quarter.



NORTH DARLING RANGE PROJECT - 29 ELs COVERING APPROXIMATELY 4,100KM²

With commencement of mining operations at Bindoon North Stage 1 pit exploration during the September Quarter has concentrated this region. Drilling has concentrated on definition of bauxite mineralisation associated with the proposed Stage 2 pits. Further drilling is planned to focus on other areas identified by historical CSR/Pacminex drilling data that contains potentially economic bauxite mineralisation serviced by existing infrastructure.

North Bindoon Region

During the September Quarter, drilling focused on resource definition drilling of the proposed Stage 2 pits on the Hares Hill prospect. Further infill drilling is planned for the Bindoon North prospect and first-pass drilling of a number of other high-grade targets in the North Darling Range project area in the December Quarter.

Hares Hill Prospect

A total of 1313 vacuum holes for 7,643 metres were drilled to complete resource definition drilling of the proposed Stage 2 pits. Drilling tested an Eastern Plateau and a Western Ridge on the Hare Hill prospect. A total of 582 of these holes returned intersections better than 1 metre at 45.0% Total Al₂O₃. Results from the Eastern Plateau defined extensive blankets of high-grade bauxite mineralisation as shown by Figure 2 and Figure 3. Drilling of the Western Ridge delineated several smaller zones of high-grade bauxite (Figure 2). Better results from drilling are shown in Table 1.

Table 1: Better vacuum drill intersections (>45% Total Al₂O₃) from Stage 2 drilling, Hares Hill, Bindoon Region.

Hole ID	MGA N (Zone 50)	MGA E (Zone 50)	Dept (m)	Intersections									
				From (m)	To (m)	Interval (m)	Avail. Al ₂ O ₃ %	Re. SiO ₂ %	Total Al ₂ O ₃ %	Total SiO ₂ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
Eastern Plateau, Hares Hill													
BDV065	420439.8	6530680	8	1	6.0	5.0	38.1	2.0	53.4	9.0	12.8	4.3	20.0
BDV067	420340.5	6530640	8	1.5	6.5	5.0	41.2	1.3	51.5	5.2	15.7	4.5	22.3
BDV068	420359.9	6530640	9	2	6.5	4.5	40.9	1.7	51.4	6.3	14.8	4.5	22.1
BDV096	420159.8	6530280	7	1.5	5.5	4.0	41.7	2.0	51.4	6.9	14.4	3.8	23.4
BDV098	420200.2	6530480	6.5	1	5.5	4.5	41.0	2.2	51.8	6.9	13.6	4.3	22.5
BDV098	420200.2	6530460	8	0.5	7.0	6.5	40.2	2.3	51.7	7.9	13.5	4.0	22.0
BDV098	420199.8	6530440	9	1	8.0	7.0	37.2	3.5	49.5	10.1	14.8	4.0	20.5
BDV099	420199.7	6530419	8	1	6.5	5.5	39.4	3.5	50.6	9.8	13.0	3.9	22.0
BDV100	420220.1	6530399	10	0.5	9.0	8.5	38.1	3.0	50.8	9.0	14.2	4.3	20.9
BDV100	420219.8	6530419	6.5	1	5.5	4.5	41.7	2.3	52.1	7.7	12.8	4.0	22.7
BDV101	420219.6	6530519	5.5	0.5	4.5	4.0	40.9	2.4	51.8	7.6	13.5	4.4	22.3
BDV101	420239.6	6530459	6	0.5	5.0	4.5	41.4	1.5	52.3	6.7	12.9	4.4	22.4
BDV102	420239.6	6530359	9.5	1.5	8.0	6.5	38.6	1.4	50.0	5.3	17.8	4.2	21.1
BDV103	420260	6530400	8	1	5.5	4.5	40.4	2.1	51.3	6.8	15.4	4.3	22.0
BDV103	420260.1	6530420	7.5	0.5	6.0	5.5	39.0	1.6	51.4	8.0	14.3	4.6	21.4
Western Ridge, Hares Hill													
BDV064	419100	6530200	8	0	5.0	5.0	38.9	1.6	51.5	4.6	17.3	4.3	21.4
BDV120	418959.9	6529639	7.5	2	6.5	4.5	43.7	2.3	51.3	7.1	13.2	3.6	24.4
BDV122	418960.4	6530000	8	1	5.5	4.5	40.8	1.6	50.6	6.0	15.6	4.2	22.8
BDV130	418979.8	6530020	7.5	1	5.5	4.5	41.1	1.2	50.6	5.3	15.4	4.5	22.5
BDV131	418980.1	6529739	7	1.5	6.0	4.5	43.0	1.8	50.9	5.1	15.1	4.9	23.2
BDV133	418999.5	6529719	7.5	1.5	6.0	4.5	40.9	2.3	50.5	5.7	15.3	4.3	22.7
BDV133	419001.2	6529742	7.5	1.5	5.5	4.0	42.1	1.8	52.0	5.2	14.0	4.3	22.9
BDV133	418999.5	6529760	7.5	1	5.0	4.0	41.7	1.7	51.9	5.1	14.1	4.4	22.9
BDV133	418999.8	6529780	7.5	1	6.0	5.0	41.6	2.0	51.1	5.6	14.9	4.4	22.6
BDV136	418999.2	6530560	6.5	0.5	5.5	5.0	40.3	1.7	50.2	6.1	16.2	4.7	21.8
BDV138	419019.9	6530580	7	0.5	5.5	5.0	41.8	2.1	51.3	6.6	13.0	4.9	22.6
BDV138	419019.8	6530560	6.5	0.5	5.0	4.5	40.5	1.4	51.7	5.9	14.7	4.4	21.6
BDV152	419120.3	6530040	8.5	0.5	5.0	4.5	41.5	1.3	51.5	5.6	14.4	3.7	23.1
BDV152	419119.8	6530060	8.5	0	4.5	4.5	40.5	1.2	52.6	6.9	13.1	3.7	22.4
BDV168	419119.8	6530200	7.5	0.5	6.5	6.0	39.0	1.3	52.1	4.5	16.2	3.7	21.6

Samples submitted to Ultra Trace for FTIR analysis with 10% checks by bomb digest (145°C / ICP05) for Available Al₂O₃% and Reactive SiO₂% and for Total Al₂O₃%, SiO₂%, and Fe₂O₃% by XRF. Intersections calculated using a lower cutoff of 45% Total Al₂O₃% and maximum of 1m internal waste.

North Bindoon Property

In the June Quarter drilling identified extensive zones of high grade bauxite mineralisation to 7.5 metres thickness suitable for DSO operations. BRL plan to conduct infill drilling of these zone and work has commenced on marking out collar locations.

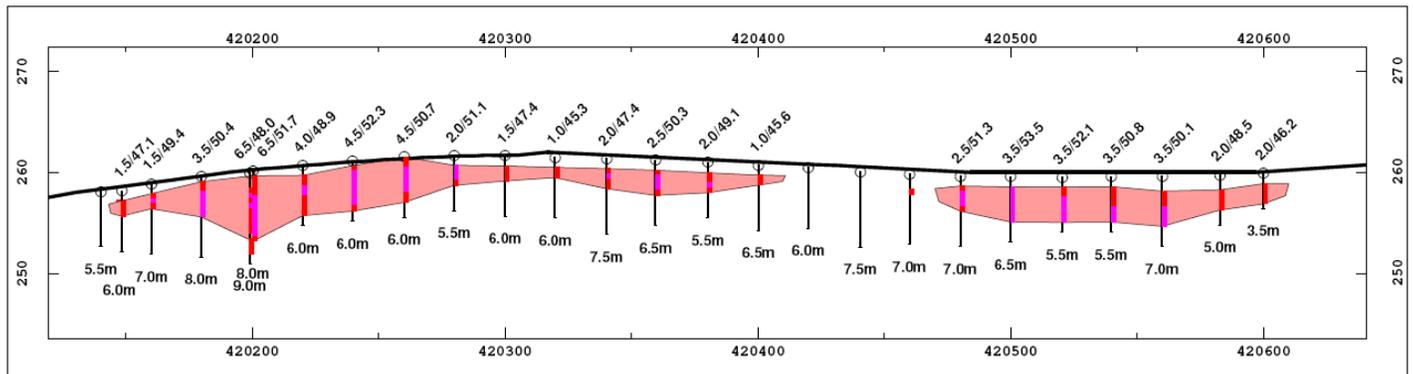


Figure 2: 6,530, 460N Section through the Stage 2 of Hares Hill. Legend – 3.0/49 = 3 metres at 49% Al₂O₃, red histogram >45% Al₂O₃ and magenta histogram >50% Al₂O₃.

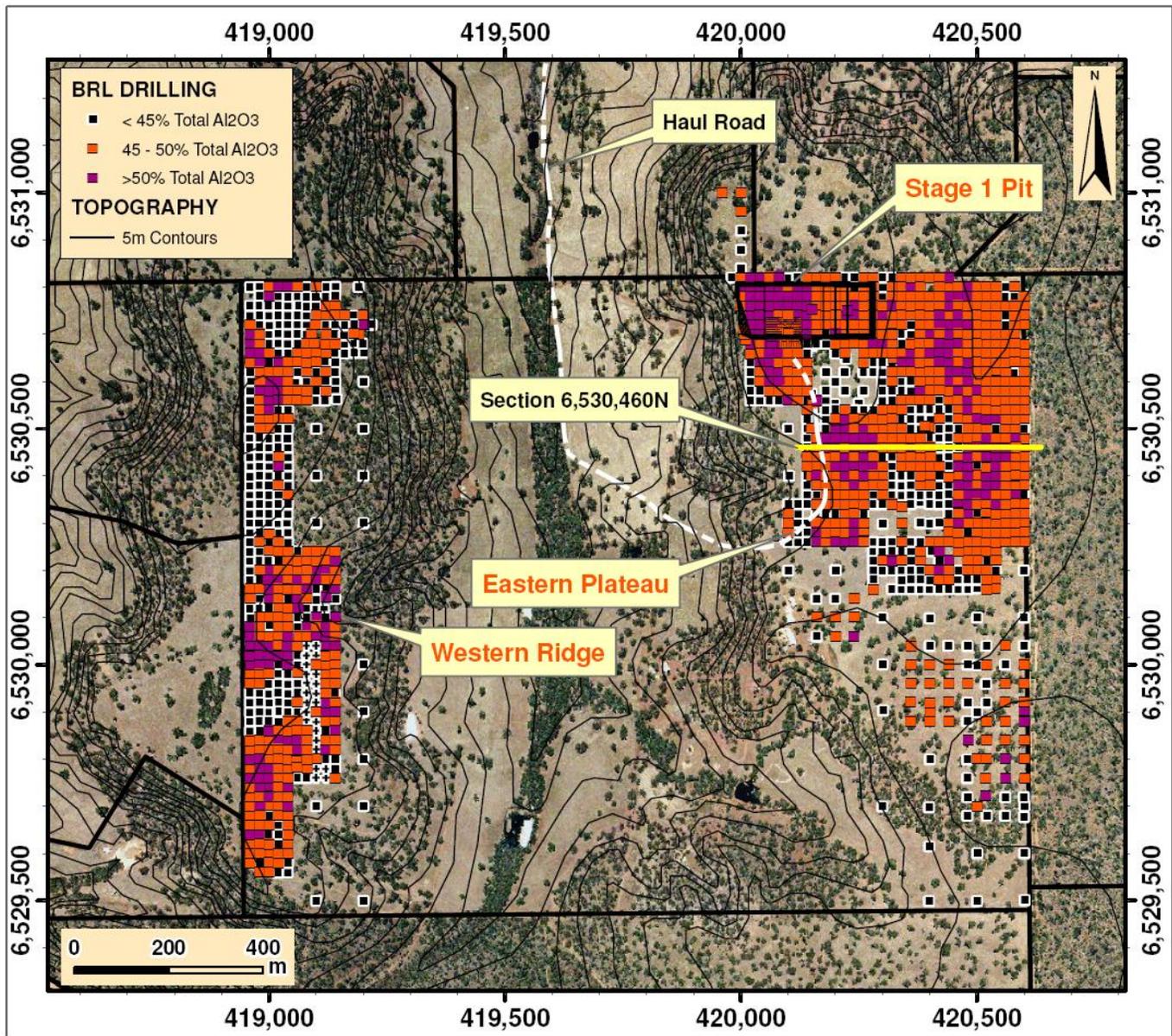


Figure 3: Hares Hill– Summary plan showing intersections >1 metre at 45% Total Al_2O_3 , location of the 6,530,460N cross sections and Stage 1 starter pit.

SOUTH DARLING RANGE PROJECT - 44 ELs COVERING APPROXIMATELY 9,200KM²

The dual aims of the South Darling Range project are to identify a suitable high grade deposit within acceptable hauling distance of the Bunbury Port for DSO and to prove up a >150Mt more refinery grade bauxite resource in the region.

Reconnaissance to assess the geological potential and land access status was undertaken on several occasions during the quarter. Critical land tenure and land access information is being obtained systematically and efficiently through the purchase and implementation of a commercial web based package. This package gives access to imagery, cadastral and tenure data.

Geological field trips have identified lateritic areas, many of which are regarded as high potential and although access for sampling is currently limited, some good assay results were obtained from “rock chip” samples.

A drilling program was undertaken in previously drilled areas (private property) to verify previous ‘suspect’ results, to expand the drill grid to cover more prospective sites within the region, and to follow up on marginal results from the

earlier drilling. A total of 250 holes, for 834 meters, were drilled late in the quarter, with assay results still being processed.

An assessment of land status for the South Darling Range project has been undertaken and matched to all the tenement applications. The tenement applications have been ranked in terms of the above status, laterite coverage, bauxite potential, ease of access, environmental considerations and native title, giving the Company a priority table and timelines for tenement grant. Several processes requiring excision of small areas from several tenements, with minimal impact on bauxite potential, have been identified to considerably speed up the granting of these tenements.

As stated the aim of this project is to define any DSO ore in the short term and define 150 Mt of ore for Refinery feed, based on current typical Darling Range type parameters. The proposed initial 18 month program will achieve this target to a JORC compliant resource in the Indicated / Inferred categories.

EAST DARLING RANGE PROJECT – 12 ELs COVERING APPROXIMATELY 3,300KM²

The East Darling Range project encompasses areas that lie to the east of the Alcoa and BHP Alumina State Agreement mineral leases east of Perth. This project covers large areas of broad-acre privately owned farmland in the vicinity of the Northam - Albany railway line providing access to the Albany Port.

The project area contains significant bauxite mineralisation identified by Broken Hill Propriety Company Limited (BHP) in the 1960's and 1970's. BHP conducted exploration programs over the project area consisting of geological mapping, surface sampling and reconnaissance drilling. Reconnaissance exploration conducted by BRL confirms that remnant laterite occurs over much of the project area where historic drilling intersected substantial thicknesses of bauxitic laterite. Better intersections from historic drilling in the Williams region include 6.7m at 40.0% Available Al₂O₃ and 7.3m at 36.1% Available Al₂O₃.

During the September Quarter BRL commenced systematic surface mapping and rockchip sampling of the project area with 1,500 square kilometres completed. Results from rockchip sampling was highly encouraging with 44% of samples collected returning better than 40% Total Al₂O₃. Future work will focus on completing surface mapping followed by reconnaissance drilling subject to procurement of necessary regulatory approvals.

Better results of rockchip samples are tabulated below.

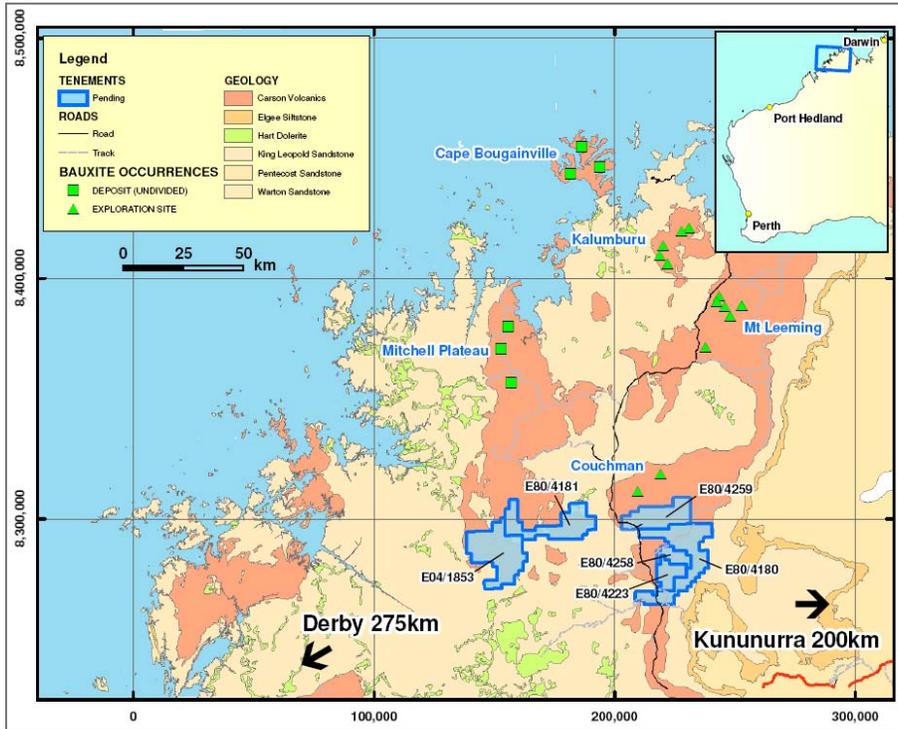
Sample Number	MGA N (Zone 50)	MGA E (Zone 50)	Avail. Al ₂ O ₃ %	Reactive SiO ₂ %	Total Al ₂ O ₃ %	Total SiO ₂ %	Fe ₂ O ₃ %	TiO ₂ %	LOI %
BR838	493642	6408517	41.9	3.4	49.6	15.9	9.3	1.03	23.5
BR837	493634	6408185	38.5	4.8	46.8	20.4	8.4	0.88	22.8
BR836	493882	6407137	33.8	5.1	44.9	21.3	15.1	0.94	17.4
BR828	476217	6420968	35.9	6.0	43.0	15.2	18.1	1.11	22.1
BR826	477940	6418911	39.7	3.1	47.2	12.3	16.1	1.21	22.4
BR821	498026	6416321	45.1	4.1	51.8	14.3	6.5	1.32	25.6
BR817	496405	6414739	38.2	3.1	48.3	10.4	17.4	1.95	21.3
BR815	509119	6417735	38.2	7.4	45.9	16.8	11.4	1.32	24.1
BR794	469054	6431643	46.1	2.1	51.3	7.7	12.3	1.02	27.6
BR793	468436	6431802	39.3	4.1	44.2	17.9	12.4	1.18	23.8
BR789	468831	6435913	38.7	4.4	43.5	12.1	20.7	1.78	21.3
BR775	493901	6460731	41.6	3.6	48.3	9.3	16.6	2.54	22.3

Samples submitted to Ultra Trace for Available Al₂O₃ % and Reactive SiO₂ % by bomb digest (145°C / ICP05) and Total Al₂O₃ %, SiO₂ %, Fe₂O₃ % and TiO₂ % by XRF at Ultra Trace. Loss on Ignition determined by Thermo-gravimetric analyser.

KIMBERLEY PROJECT - 6 ELs COVERING APPROXIMATELY 1,600KM²

During this quarter BRL acquired three new applications totalling 136 blocks (459 square kilometres) over laterite outcrops consolidating BRL’s Kimberley project.

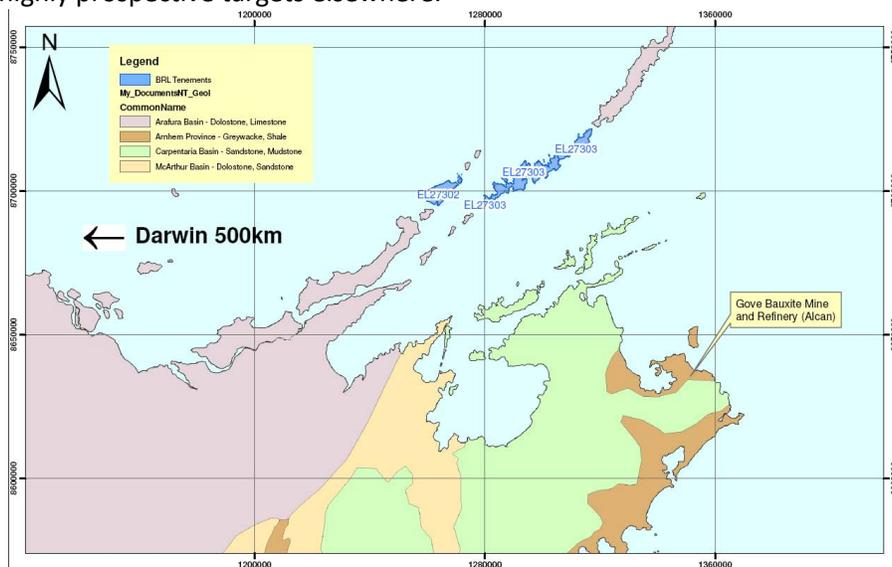
These tenements are for the Company’s longer term staged business development. The present strategy is to focus on the Darling Range Project in the short term for establishment of a DSO operation, while securing tenure over highly prospective targets in the Kimberley.



BAUXITE RESOURCES KIMBERLEY TENEMENT MAP SEPT 2009

NORTHERN TERRITORY PROJECT - 2 ELs COVERING APPROXIMATELY 390KM²

The Northern Territory project consists of two applications (393 square kilometres) over bauxitic laterite outcrops in the Northern Territory. These tenements are for the Company’s longer term staged business development. The present strategy is to focus on the Darling Range Project in the short term for establishment of a DSO operation, while securing tenure over highly prospective targets elsewhere.



BAUXITE RESOURCES NORTHERN TERRITORY TENEMENT MAP SEPT 2009

TECHNICAL REPORT FOR BAUXITE MARKETING

Beneficiation testing

A number of samples from the North Darling Range DSO project have undergone beneficiation tests with encouraging results. Further testing has included:

- Jet Washed to eliminate -500 micron material.
- Magnetic Separation (Mag Sep) at 3000 Gauss.

Contact has also been made with both an international and a local firm to design jet washing equipment; the Company will pursue local options in the first instance.

Further future testing with an air pulsed jig (All jig) is proposed for the December quarter.



Calcined bauxite

Chlorination and Leaching tests are currently under investigation to further explore the possibility of a calcined product.

Analytical

Fourier Transform Infrared spectroscopy (FTIR) is now in full use for Northern tenement exploration.

BRL are actively examining options to expedite the sampling and testing process to ensure the most cost effective and efficient methods are used to progress the Company's ongoing research.

Samples for customers

Samples of DSO grade bauxite were sent to several overseas customers with positive feedback.

Since commencement of mining the actual DSO grade has been upgraded through continual sample testing and a decision made to prepare new samples of slightly higher Total Alumina and an increased Available Alumina from 40% to >42 % for the export customer base.

OPERATIONS FOR THE QUARTER

The third quarter was an extremely busy time for BRL in the North Darling Range Project Bindoon area. BRL's first EIL was passed by the Chittering Shire Council and August saw the first ground being broken on site, closely followed by the construction of the haul road to the Great Northern Highway.

The quarrying contractor mobilised equipment to site in August to construct the haul road and commenced quarrying operations, equipment mobilized included, track dozers, front end loaders, excavators, graders, dump trucks, water tankers and the contractors mobile gravel crusher and screening plant.

Primary focus for the quarter has been the construction of the haul road to the Great Northern Highway, construction was hampered due to unseasonal late rainfall slowing the progress, however the road was constructed allowing road haulage access to the quarry site.

Approvals granted in the quarter included the Refuelling Management Plan, Fire Management Plan, Project Management Plan, Safety Management Plan and Storm Water Management Plan, in addition to this permission from the Main Roads department for the haulage route from the quarry to the rail siding.

Planning for stage 2 EIL was a focus in this quarter, with spring flora and fauna surveys conducted. The EIL has been formulated using the above plans as templates; Stage 2 EIL will be submitted to the Shire of Chittering early in the next quarter.

The Extractive Industries Licence (EIL) was passed by the Shire of Chittering which allowed the quarrying operations to commence, topsoil and overburden removal/stockpiling commenced and overburden was removed to expose the ore body enabling detailed sampling and mine planning of the ore body prior to crushing and screening operations.

A rail agreement was signed with WNR and subsequently the rail siding pad and access road into the siding was constructed ready for bauxite stockpiling.

All infrastructure and processes are in place to allow for road haulage, rail operations and port handling to commence at the start of the next quarter.

INFRASTRUCTURE PROJECTS

The BRL infrastructure projects are summarised as:

- Kwinana Port Direct Shipping Operation (DSO)
- Bunbury Port DSO
- Albany Port DSO
- Refinery/Smelter Project
- Calcined Bauxite Project

During the quarter the Logistical Supply Chains (LSC) options associated with BRL projects were further defined. General information on the projects follows:

Kwinana Port DSO

During the quarter mining operations commenced and a LSC option that included railing from the rail siding near the Northern Project's mining operation to Kwinana Port's KBB2 terminal commenced. Arrangements have been agreed with all the key infrastructure providers associated with the LSC in order to support a number of spot shipments during the ensuing quarter (October – December). The spot shipments will be circa 40,000 tonnes each via Hand-max size ships.

The main DSO operation now targeted to commence in the first quarter of 2010 and planning for the infrastructure requirements is well advanced with input from the key stakeholders and providers.

Bunbury Port DSO

Following the forwarding of a general agreement (GA) to the BPA the commercial terms of a long term arrangement are being considered in-conjunction with the scoping of the both the DSO and Refinery/Smelter project that will include interconnection with the regions rail network. An interim LSC has been agreed to support an interim Bunbury Port DSO whilst the storage and handing infrastructure requirements needed to support a preferred longer term LSC are arranged.

The Port by-pass road is scheduled for completion in first quarter of 2010 however targeted commencement date for a spot trial sample shipment is late December 2009.

Albany Port DSO

Following the BRL presentation to the Albany Port Authority (APA) Board in the previous quarter BRL have continued to liaise with the APA on the transport, storage and port handling options for a long term DSO.

The exploration program in the BRL eastern tenements is being scheduled to indentify targeted areas to support DSO out of Albany Port post 2010.

Refinery/Smelter Project

During the quarter the Project Definition Document (PDD) for the Refinery/Smelter project was commenced with the direction of the Department of State Development (DSD). The PDD is aimed to be completed in the early part of the current quarter and with the coordination of the DSD key government agencies are being scheduled to be briefed on associated LSC requirements and timelines for the project.

Within BRL initial owner's representatives for the project sections have been appointed and the available key input options for establishing a suitable logistical supply and distribution chain needed to support the project outlined. The external stakeholders associated with each of the project sections are also being scheduled to participate in workshop type processes in the scoping definition in preparation for the project design.

Calcined Bauxite Project

Calcined Bauxite has been identified as an important product market for BRL and a number of prospective bauxite areas have been identified. The research is being monitored in order that the downstream processing requirements can be supported with an appropriate LSC.

MARKETING REPORT – INTERNATIONAL BUSINESS DEVELOPMENT

Further MOU with Yankuang Group Corporation Ltd (Yankuang)

The BRL team led by MD, Mr Dan Tenardi, has conducted successful negotiations with Yankuang and signed a further MOU that achieved a number of significant developments for the proposed refinery project including the ownership of alumina production interests being on a 50:50 basis and a \$9.85 million equity placement at 50 cents.

Since signing the MOU, the parties have commenced negotiations on the terms of the Heads of Agreement for detailing further matters relating to the project.

MOU with Hongfan Holdings Limited (Hongfan)

BRL signed a non-binding MOU with Hongfan, one of the major bauxite importers in China. The key target in this MOU is to enter into a long-term agreement for BRL to export to Hongfan approximately 1.25 million tonnes per annum.

BRL and Hongfan have agreed to examine the possibilities of organizing trial shipments in 2009 to supply the Chinese market.

MOU with JFE Shoji Trade Corporation (JFEST)

In this quarter BRL also signed a non-binding MOU with JFEST, a Japanese trading house which will re-sell BRL's bauxite to certain end users in Asia mainly in Mainland of China, Taiwan, India and Japan. The initial target is to supply 500,000 tonnes per year. Both parties have agreed to work towards executing a binding agreement detailing the sale and purchase terms.

Samples Provided for Testing In China

Samples from the North Darling Range, North Bindoon area have been organised and provided to seven companies in China for testing using their own facilities. The testing for chemical components shows that the ore importantly contains very low reactive silica and insignificant boehmite. The recovery test demonstrates that the bauxite consumption for one tonne of alumina could be in the region of 2.6 tonnes, which is similar or even better than other major overseas suppliers.

Visit to China for Marketing Bauxite

In August a BRL team visited several refineries and trading companies in China. BRL has highlighted the features and benefits of its bauxite from the North Darling Range Bindoon area, which in the past has been misinterpreted as low alumina ore. Chinese industry and government representatives have been suitably impressed by the achievement BRL has made during the past five months since the team's last visit to China in March.

The team has conducted in-depth discussions with scientists and industry experts relating to the bauxite ore's chemical composition and features as well as specific methods applicable to the extraction process in an effort to achieve the best possible recovery rate. The parties involved agreed to conduct further research and testing and continue to explore commercial agreements for future supply.

Continued efforts in communicating with prospective customers and stakeholders

- BRL has continued dialogue with a number of other mineral traders in order to obtain details and a greater understanding of their companies and prospective customers to augment the sale base.
- Sea Corporation Pty Ltd has been selected to act as BRL's Shipping Agent for the initial trial sample spot shipments.

ENVIRONMENT, COMMUNITY & PUBLIC AFFAIRS

The following work has been completed in the September quarter:

Media and Public Affairs

BRL continues to build on its strategic community presence and stakeholder relations. The level of community support for BRL trial operations for Stage 1 (Bindoon) has been extremely strong, with a low level of objection submission to the Shire. BRL continues to enjoy strong relationships and information exchange with key government agencies in WA, integral to regulatory compliance and corporate profile. BRL maintains and updates regularly a Community Stakeholder Register to ensure transparency and real time information availability for response to the community and the public at large. BRL have committed to a number of community support initiatives, including becoming a major sponsor of the Annual Bindoon Show. BRL held its first 'groundbreaking' ceremony at the Hare trial excavation site in August which was attended by two Members of Parliament, local councillors, contractors and members of the community.

Environment

Substantial resources have been allocated to the critical matter of licences and approvals for BRL operational activities, engaging the expertise of several environmental specialists to report and review all BRL processes and submissions. BRL's EILs to the Shire of Chittering and to WA state departments have been widely acknowledged as setting a new best practice benchmark for the industry.

BRL continue to confer regularly with advisers and officers with relevant knowledge and experience on environmental matters, including Department of Mines and Petroleum, Department of Environment and Conservation (DEC), Environment Protection Agency and Department of State Development. BRL have committed in collaboration the DEC research scientists to fund a Disease Investigation Manager, further to the Company's plan for a captive breeding enclosure for the critically-endangered Woylie.

EXECUTIVE STAFF – QUARTERLY UPDATE

During the September quarter the Company made the following important appointment:

Keith Gavan joined the Company in early July as the Health Safety & Environment Manager. Keith brings a wealth of experience in Health, Safety and Training to BRL having spent 10 years working in the mining industry. Keith has been assisting with the preparation of BRL's environmental licence applications, Inductions and the Health & Safety Procedures and Management Plans.

CORPORATE SUMMARY

Capital Raised Exercise of Options

During the September quarter the Company raised \$170,000 the exercise of 605,000 options at 25/30c.

Cash Position and Issued Capital

The Company's issued capital increased by the above conversion of options. The cash position as at 30 September 2009 decreased over last quarter as a result of the operating, administration and capital expenditure. At 30 September 2009 BRL had \$14.5 million cash at bank and 152,043,228 shares on issue.

The company announced during the quarter a placement of 60 million shares at 95 cents each. The proposed placement was approved by shareholders on 26th October and the funds are expected to be received on 30th October.

Share Price and Market Capitalisation

During the quarter the Managing Director and CFO conducted a series of marketing presentations in Melbourne and Sydney to large institutional investors and fund managers. The marketing presentations were a resounding success and the share price improved significantly as a result of the increased investor interest and higher profile of the company. Following the presentations the Board resolved to raise capital and place 60 million shares at 95 cents each to raise \$57 million. The funds will be applied towards mining, rail and port improvements to reduce cash operating costs and to improve mining and shipping capacity. Part of the funds will also be used for the Bankable Feasibility Study into a proposed alumina refinery in the south west of Western Australia.

The Company's share price has firmed from 40 cents at 30 June 2009 to around its current level of approximately \$1.05. The market capitalisation has increased substantially from \$60 million at 30 June 2009 to around \$160 million as a result of the improved share price.



Dan Tenardi

Managing Director

In accordance with the Australian Stock Exchange requirements, the technical information contained in this report has been reviewed by Mr. Peter Senini, Principal Advisor, Geological and Technical Services to the Company. The information in the report to which this statement is attached that relates to Exploration Results and Mineral Resources is based on information reviewed by Mr. Senini, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Senini has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr. Senini consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.

Appendix 5B

Mining exploration entity quarterly report

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98, 30/9/2001.

Name of entity

Bauxite Resources Limited

ABN

72 119 699 982

Quarter ended ("current quarter")

30 September 2009

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date (3 months) \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	-	-
1.2 Payments for (a) exploration and evaluation (b) development (c) production (d) administration	(503) - - (1,433)	(503) - - (1,433)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	132	132
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net Operating Cash Flows	(1,804)	(1,804)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects (b) equity investments (c) other fixed assets	- - (236)	- - (236)
1.9 Proceeds from sale of: (a) prospects (b) equity investments (c) other fixed assets	- - -	- - -
1.10 Loans to other entities	-	-
1.11 Loans repaid by other entities	-	-
1.12 Other - security bonds	-	-
Net investing cash flows	(236)	(236)
1.13 Total operating and investing cash flows (carried forward)	(2,040)	(2,040)

+ See chapter 19 for defined terms.

Appendix 5B
Mining exploration entity quarterly report

1.13	Total operating and investing cash flows (brought forward)	(2,040)	(2,040)
Cash flows related to financing activities			
1.14	Proceeds/(over subscription) from issues of shares, options, etc.	170	170
1.15	Proceeds from sale of forfeited shares	-	-
1.16	Proceeds from borrowings	-	-
1.17	Repayment of borrowings	-	-
1.18	Dividends paid	-	-
1.19	Other (provide details if material) Share issue transaction costs	-	-
	Net financing cash flows	170	170
	Net increase (decrease) in cash held	(1,870)	(1,870)
1.20	Cash at beginning of quarter/year to date	16,503	16,503
1.21	Exchange rate adjustments to item 1.20	-	-
1.22	Cash at end of quarter	14,633	14,633

Payments to directors of the entity and associates of the directors
Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	177
1.24	Aggregate amount of loans to the parties included in item 1.10	-

1.25 Explanation necessary for an understanding of the transactions

Item 1.23 includes aggregate amounts paid to directors including salary, directors' fees and consulting fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows.

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2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest.

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+ See chapter 19 for defined terms.

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	NIL	NIL
3.2 Credit standby arrangements	NIL	NIL

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	1,000
4.2 Development	-
Total	1,000

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	765	492
5.2 Deposits at call	13,868	16,011
5.3 Bank overdraft	-	-
5.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.22)	14,633	16,503

Changes in interests in mining tenements - no changes

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1		Interests in mining tenements relinquished, reduced or lapsed		
6.2		Interests in mining tenements acquired or increased		

+ See chapter 19 for defined terms.

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference *securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	152,043,228	96,358,228		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs	605,000	605,000	Conversion of options at 25c/30c each	Fully paid
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options <i>(description and conversion factor)</i>	2,000,000 4,000,000 9,000,000 666,668 666,666 666,666 300,000 800,000 3,090,000 700,000 500,000 300,000	- - - - - - - - - - - -	Exercise price 25 cents 40 cents 20 cents 35 cents 45 cents 55 cents 25 cents 35 cents 30 cents 50 cents 70 cents 40 cents	Expiry date 15 May 2012 15 May 2012 31 May 2012 30 Nov 2013 30 Nov 2013 30 Nov 2013 30 June 2012 30 June 2012 30 June 2012 30 June 2012 30 June 2012 30 June 2012
7.8 Issued during quarter	700,000 500,000 300,000	- - -	50 cents 70 cents 40 cents	30 June 2012 30 June 2012 30 June 2012

+ See chapter 19 for defined terms.

7.9	Exercised during quarter	380,000 225,000	- -	30c each 25c each	30 June 2012 30 June 2012
7.10	Expired during quarter				
7.11	Debentures (totals only)				
7.12	Unsecured notes (totals only)				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX (see note 4).
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 
(Company secretary)

Date: 30 October 2009

Print name: Paul Fromson

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 wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
- 2 The "Nature of interest" (items 6.1 and 6.2) includes options in respect of interests in mining tenements acquired, exercised or lapsed during the reporting period. If the entity is involved in a joint venture agreement and there are conditions precedent which will change its percentage interest in a mining tenement, it should disclose the change of percentage interest and conditions precedent in the list required for items 6.1 and 6.2.
- 3 **Issued and quoted securities** The issue price and amount paid up is not required in items 7.1 and 7.3 for fully paid securities.
- 4 The definitions in, and provisions of, *AASB 1022: Accounting for Extractive Industries* and *AASB 1026: Statement of Cash Flows* apply to this report.
- 5 **Accounting Standards** ASX will accept, for example, the use of International Accounting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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