

# **BAUXITE RESOURCES LIMITED**

**ABN 72 119 699 982**

## **Interim Financial Report**

**For the half-year ended 31 December 2015**

This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the Annual Report for the period ended 30 June 2015 and any public announcements made by Bauxite Resources Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

# DIRECTORS' REPORT

Your directors submit their report on the consolidated entity (referred to hereafter as the Group) consisting of Bauxite Resources Limited and the entities it controlled at the end of, or during, the half-year ended 31 December 2015.

## DIRECTORS

The names of the Company's directors who held office at the end of the half-year are as follows.

Robert Nash – Non Executive Chairman

Neil Lithgow – Non Executive Director

Luke Atkins – Non Executive Director

Zhaozhong Wang – Non Executive Director

Cunliang Lai – Non Executive Director (resigned 20 January 2016)

## REVIEW OF OPERATIONS

### BUSINESS DIRECTION AND BOARD STRATEGY

During the half year ending 31 December 2015 the Company continued to focus primarily on resolving the issues surrounding the Felicitas Deposit with its Joint Venture Partner Yankuang Resources Pty Ltd (Yankuang). On 21 October 2015 the Company announced it had reached agreement to sell its interests in the Joint Venture to Yankuang. Formal documents were signed on 30 November 2015, with shareholder approval being received on 18 January 2016 and settlement occurring on the 21 January 2016.

The key terms of the transaction were as follows:

- The joint ventures with Yankuang were terminated;
- Yankuang paid BRL the sum of \$7.15 million for its interests in the assets of the joint ventures, including its shareholding in Bauxite Alumina Joint Ventures Pty Ltd ('BAJV'), and for its interests in the Fortuna bauxite rights;
- BRL has bought back Yankuang's 19,700,000 shares in BRL for the sum of \$1.15 million;
- Yankuang and BAJV will pay BRL a royalty of 0.9% of the FOB price for the first 100 million tonnes of bauxite mined from the Fortuna and Felicitas tenements (approximately 50c/tonne);
- BRL transferred to Yankuang all its interest in the tenements that relate to the joint ventures;
- Subject to the agreement of the tenement holder, BRL will assign its rights in the Fortuna bauxite resource to Yankuang and in the event that the Fortuna tenement holder does not agree, then the royalty right referred to above will be reduced to the first 87 million tonnes; and
- Yankuang's nominee director will resign from the Board of BRL.

This has had a substantial effect on the Company's cash position and has simplified its operations, with the main exploration focus now on the HD Mining Joint Venture.

The accounts have separately identified the Joint Ventures with Yankuang as discontinuing operations for the current period and the prior year comparatives have been restated.

Bauxite Resources is in a strong financial position with significant cash reserves and no debt. As at 31 December 2015 the Company held \$21.1 million in cash.

Following completion of the Yankuang transaction on 21 January 2016, the company received net proceeds of \$6 million (increasing cash funds to \$27.1 million), and the number of shares on issue were reduced from 234,002,336 to 214,302,336.

The Board is focussed on identifying new opportunities both within and outside the mining industry and will undertake reviews of new projects in the coming months. The Company's current cash burn rate is in the process of being reduced significantly, and the revised budgeted cost of operations will be expected to reduce to less than \$350,000/quarter (before any interest receipts) and all surplus assets will 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 various capital management initiatives.

# DIRECTORS' REPORT CONT.

## **BOARD AND MANAGEMENT CHANGES**

On the 22 October 2015 Mr Peter Canterbury resigned from the Board as Chief Executive Officer and Executive Director of the Company. Mr Sam Middlemas was appointed as Chief Executive Officer. As part of the Yankuang transaction Mr Cunliang Lai resigned from the Board on 21 January 2016.

## **AUDITOR'S INDEPENDENCE DECLARATION**

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 3 for the half-year ended 31 December 2015.

Signed in accordance with a resolution of the directors.



Robert Nash

Chairman

Perth, 11 March 2016

# AUDITORS' INDEPENDENCE DECLARATION

## MOORE STEPHENS

---

Level 15, Exchange Tower  
2 The Esplanade  
Perth WA 6000

PO Box 5785, St Georges Terrace  
WA 6831

T +61 (0)8 9225 5355

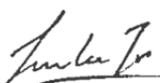
F +61 (0)8 9225 6181

[www.moorestephens.com.au](http://www.moorestephens.com.au)

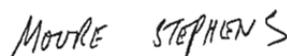
### AUDITOR'S INDEPENDENCE DECLARATION UNDER S307C OF THE *CORPORATIONS ACT 2001* TO THE DIRECTORS OF BAUXITE RESOURCES LIMITED

As lead auditor for the review of Bauxite Resources Limited for the half-year ended 31 December 2015, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



**Suan-Lee Tan**  
Partner



**Moore Stephens**  
Chartered Accountants

Signed at Perth this 11<sup>th</sup> day of March 2016

Liability limited by a scheme approved under Professional Standards Legislation. Moore Stephens ABN 16 874 357 907. An independent member of Moore Stephens International Limited - members in principal cities throughout the world. The Perth Moore Stephens firm is not a partner or agent of any other Moore Stephens firm.

# STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	Consolidated Group	
		31/12/2015 \$	31/12/2014 \$ (Restated)
<b>Continuing operations</b>			
Recoupment of exploration costs	2	158,899	185,424
Other income	2	59,174	110,677
Interest income	2	318,641	568,815
Employee benefits expense		(725,459)	(578,838)
Exploration expenses as incurred		(334,597)	(616,260)
Bankable feasibility and other studies		-	(1,217)
Administration expenses		(753,246)	(833,103)
Litigation settlement		-	(5,250,000)
Depreciation and amortisation expense	2	(293,373)	(170,024)
Gain/(loss) on disposal of fixed assets		81,567	91
Share-based payments expense		(90,388)	(84,433)
<b>Profit / (loss) before income tax</b>	2	<b>(1,578,782)</b>	<b>(6,668,868)</b>
Income tax expense		-	-
Loss after income tax expense from continuing operations		(1,578,782)	(6,668,868)
Loss after income tax expense from discontinued operations	3	(536,988)	(747,490)
<b>Loss after income tax expense for the half-year</b>		<b>(2,115,770)</b>	<b>(7,416,358)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income/(loss) for the period</b>		<b>(2,115,770)</b>	<b>(7,416,358)</b>
Loss for the half-year is attributable to:			
Continuing operations		(1,578,782)	(6,668,868)
Discontinuing operations		(536,988)	(747,490)
Owners of Bauxite Resources Limited		(2,115,770)	(7,416,358)
		(2,115,770)	(7,416,358)
<b>Earnings per share</b>			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(0.91)	(3.20)
Diluted earnings per share (cents)		(0.90)	(3.17)
From continuing operations:			
Basic earnings per share (cents)		(0.68)	(2.88)
Diluted earnings per share (cents)		(0.67)	(2.85)
From discontinued operations:			
Basic earnings per share (cents)		(0.23)	(0.32)
Diluted earnings per share (cents)		(0.23)	(0.32)

The above statements should be read in conjunction with the notes to the financial statements.

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Notes	Consolidated Group	
		31/12/2015	30/06/2015
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents		21,086,804	22,998,193
Trade and other receivables		1,061,455	735,996
<b>TOTAL CURRENT ASSETS</b>		22,148,259	23,734,189
<b>NON CURRENT ASSETS</b>			
Other financial assets		204,158	360,358
Property, plant and equipment		3,040,924	3,515,396
<b>TOTAL NON CURRENT ASSETS</b>		3,245,082	3,875,754
<b>TOTAL ASSETS</b>	2	25,393,341	27,609,943
<b>CURRENT LIABILITIES</b>			
Trade and other payables		95,662	226,230
Provisions		21,084	79,781
<b>TOTAL CURRENT LIABILITIES</b>		116,746	306,011
<b>TOTAL LIABILITIES</b>		116,746	306,011
<b>NET ASSETS</b>		25,276,595	27,303,932
<b>EQUITY</b>			
Contributed equity		78,507,111	78,401,613
Reserves		673,827	690,892
Retained earnings / (accumulated losses)		(53,904,343)	(51,788,573)
<b>TOTAL EQUITY</b>		25,276,595	27,303,932

The above statements should be read in conjunction with the notes to the financial statements.

# STATEMENT OF CHANGES IN EQUITY

AS AT 31 DECEMBER 2015

Consolidated Group	Notes	Issued Ordinary Capital	Option Reserve	Retained Earnings	Total
		\$	\$	\$	\$
<b>Balance at 1 July 2014</b>		87,651,716	580,953	(41,166,374)	47,066,295
Loss for the period		-	-	(7,416,358)	(7,416,358)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(7,416,358)	(7,416,358)
Return of capital		(9,275,908)	-	-	(9,275,908)
Transaction costs associated with return of capital		(7,744)	-	-	(7,744)
Employee share options issued during the period		-	84,433	-	84,433
<b>Balance at 31 December 2014</b>		78,368,064	665,386	(48,582,732)	30,450,718
<b>Balance at 1 July 2015</b>		78,401,613	690,892	(51,788,573)	27,303,932
Loss for the period		-	-	(2,115,770)	(2,115,770)
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	(2,115,770)	(2,115,770)
Employee shares issued during the period		107,452	(107,452)	-	-
Transaction costs associated with employee shares		(1,954)	-	-	(1,954)
Employee share options issued during the period		-	90,387	-	90,387
<b>Balance at 31 December 2015</b>		78,507,111	673,827	(53,904,343)	25,276,595

The above statements should be read in conjunction with the notes to the financial statements.

# STATEMENT OF CASH FLOW

HALF-YEAR ENDED 31 DECEMBER 2015

	Notes	Consolidated Group	
		31/12/2015	31/12/2014
		\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		14,942	519,229
Payments to suppliers and employees		(1,789,338)	(1,621,095)
Payments for exploration expenditure		(722,276)	(1,307,577)
Payment for litigation settlement		-	(5,250,000)
Interest received		328,737	655,003
NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		(2,167,935)	(7,004,440)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Recoup/(payment) of security deposit		-	-
Receipts from sales of property, plant & equipment		258,500	91
Payments for property, plant and equipment		-	(3,576)
NET CASH INFLOW/ (OUTFLOW) FROM INVESTING ACTIVITIES		258,500	(3,485)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Payment for return of capital		-	(9,283,652)
Payment of share issue costs		(1,954)	-
NET CASH INFLOW FROM FINANCING ACTIVITIES		(1,954)	(9,283,652)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(1,911,389)	(16,291,577)
Cash and cash equivalents at the beginning of the financial year		22,998,193	40,935,260
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE FINANCIAL YEAR</b>		<b>21,086,804</b>	<b>24,643,683</b>

The above statements should be read in conjunction with the notes to the financial statements.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This financial report includes the consolidated financial statements and notes of Bauxite Resources Limited and controlled entities ("Consolidated Group" or "Group"). The financial statements were authorised for issue on 11 March 2016 by the directors of the Company.

### (a) Basis of preparation

This general purpose financial report has been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of the Group. As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2015, together with any public announcements made during the following half-year. The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

### (b) Restatement of Comparatives

During the half year, the Directors entered into agreements with Yankuang Resources Pty Ltd to sell the Company's interests in the Alumina Refinery Joint Venture, Bauxite Resources Joint Venture and its 50% shareholding in Bauxite Alumina Joint Venture Pty Ltd.

Although the sale was not completed until 21 January 2016, these joint arrangements are considered as discontinued operations pursuant to AASB 5. The results of discontinued operations are presented separately on the face of the statement of profit or loss and other comprehensive income. Comparative amounts for the half year ended 31 December 2014 have been restated to present the above joint arrangements as discontinued operations (see table below for details).

The net gains or losses relating to the sale of these joint interests shall be recognised in the 30 June 2016 year-end financial statements of the Group.

(i) *Adjustments made to statement of profit or loss and other comprehensive income*

	Half-year ended 31 December 2014		
	Previously Reported \$	AASB5 <sup>1</sup> \$	As presented \$
<b>Continuing operations</b>			
Recoupment of exploration costs	185,424	-	185,424
Other income	110,594	83	110,677
Interest income	573,913	(5,098)	568,815
Employee benefits expense	(578,838)	-	(578,838)
Exploration expenses as incurred	(1,195,771)	579,511	(616,260)
Bankable feasibility and other studies	(153,004)	151,787	(1,217)
Administration expenses	(833,103)	-	(833,103)
Litigation settlement	(5,250,000)	-	(5,250,000)
Depreciation and amortisation expense	(191,231)	21,207	(170,024)
Gain/(loss) on disposal of fixed assets	91	-	91
Share-based payments expense	(84,433)	-	(84,433)
Share of net profits of associates and joint venture entities	-	-	-
<b>Profit / (loss) before income tax</b>	<b>(7,416,358)</b>	<b>747,490</b>	<b>(6,668,868)</b>

# NOTES TO THE FINANCIAL STATEMENTS CONT.

(i) Continued - Adjustments made to statement of profit or loss and other comprehensive income

	Half-year ended 31 December 2014		
	Previously Reported \$	AASB5 <sup>1</sup> \$	As presented \$
<b>Profit / (loss) before income tax</b>	(7,416,358)	747,490	(6,668,868)
Income tax expense			
Loss after income tax expense from continuing operations	(7,416,358)	747,490	(6,668,868)
Loss after income tax expense from discontinued operations	-	(747,490)	(747,490)
<b>Loss after income tax expense for the half-year</b>	(7,416,358)	-	(7,416,358)
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax			
<b>Total comprehensive income/(loss) for the period</b>	(7,416,358)	-	(7,416,358)
Loss for the half-year is attributable to:			
Continuing operations	(7,416,358)	747,490	(6,668,868)
Discontinuing operations	-	(747,490)	(747,490)
Owners of Bauxite Resources Limited	(7,416,358)	-	(7,416,358)
	(7,416,358)	-	(7,416,358)
<b>Earnings per share</b>			
From continuing and discontinued operations:			
Basic earnings per share (cents)	(3.20)	-	(3.20)
Diluted earnings per share (cents)	(3.17)	-	(3.17)
From continuing operations:			
Basic earnings per share (cents)	(3.20)	0.32	(2.88)
Diluted earnings per share (cents)	(3.17)	0.32	(2.85)
From discontinued operations:			
Basic earnings per share (cents)	-	(0.32)	(0.32)
Diluted earnings per share (cents)	-	(0.32)	(0.32)
Note 1 – Effect of change in accounting policy			

## 2. OPERATING SEGMENTS

(i) Segment performance

	Exploration	BFS & other studies	Administration & other	Total
	\$	\$	\$	\$
<b>Half-year ended 31 December 2015</b>				
<b>REVENUE</b>				
External sales	158,899	-	-	158,899
Interest revenue	-	-	318,641	318,641
Other revenue	-	-	59,174	59,174
<b>Total segment revenue</b>	158,899	-	377,815	536,714
<b>Segment net loss before tax</b>	(175,698)	-	(1,109,711)	(1,285,409)
Reconciliation of segment result to group net profit / loss for before tax				
Amounts not included in segment result but reviewed by Board				
- Depreciation and amortisation				(293,373)
- Income tax expense				-
<b>Net loss before tax from continuing operations</b>				(1,578,782)

# NOTES TO THE FINANCIAL STATEMENTS CONT.

	Exploration	BFS & other studies	Administration & other	Total
	\$	\$	\$	\$
<b>Half-year ended 31 December 2014</b>				
<b>REVENUE</b>				
External sales	185,424	-	-	185,424
Interest revenue	-	-	568,815	568,815
Other revenue	-	-	110,677	110,677
<b>Total segment revenue</b>	<b>185,424</b>	<b>-</b>	<b>679,492</b>	<b>864,916</b>
<b>Segment net loss before tax</b>	<b>(430,836)</b>	<b>(1,217)</b>	<b>(6,066,791)</b>	<b>(6,498,844)</b>
Reconciliation of segment result to group net profit / loss for the period				
Amounts not included in segment result but reviewed by Board				
- Depreciation and amortisation				(170,024)
- Income tax expense				-
<b>Net loss before tax from continuing operations</b>				<b>(6,668,868)</b>

## (ii) Segment assets

	Exploration	BFS & other studies	Administration & other	Total
	\$	\$	\$	\$
<b>As at 31 December 2015</b>				
Segment assets	284,644	-	25,108,697	25,393,341
<b>Total group assets</b>				<b>25,393,341</b>
<b>As at 30 June 2015</b>				
Segment assets	645,635	20,970	26,943,338	27,609,943
<b>Total group assets</b>				<b>27,609,943</b>

### 3. DISCONTINUED OPERATIONS

On the 30 November 2015 it was announced that the final agreements with Yankuang for sale of the joint venture interest and buyback of shares was signed pending approval by BRL Shareholders and State-Owned Assets Supervision and Administration Commission of the Peoples Republic of China ("SASAC"). SASAC approval was granted on the 10 December 2015, BRL Shareholders approved the sale at an Extraordinary General Meeting on the 18 January 2016 and the sale completed on the 21 January 2016.

	Consolidated Group	
	31/12/2015	31/12/2014
	\$	\$
<b>Financial performance information</b>		
Other income	-	(83)
Interest income	1,868	5,098
Exploration expenses as incurred	(437,586)	(579,511)
Bankable feasibility and other studies	(97,103)	(151,787)
Depreciation and amortisation expense	(4,167)	(21,207)
Profit / (loss) before income tax	(536,988)	(747,490)
Income tax expense	-	-
Profit after income tax expense for the half-year	(536,988)	(747,490)
Profit / (loss) on disposal before income tax expense	-	-
Income tax expense	-	-
Profit / (loss) on disposal after income tax expense	-	-
Profit / (loss) after income tax expense from discontinued operations	(536,988)	(747,490)

## NOTES TO THE FINANCIAL STATEMENTS CONT.

	Consolidated Group	
	31/12/2015	31/12/2014
	\$	\$
<b>Cash flow information</b>		
Net cash inflow/(outflow) from operating activities	(546,300)	(661,345)
Net cash inflow/(outflow) from investing activities	-	(3,576)
Net increase / (decrease) in cash and cash equivalents from discontinued operations	(546,300)	(664,921)

	Consolidated Group
	31/12/2015
	\$
<b>Carrying amounts of assets and liabilities from discontinued operations</b>	
Cash and cash equivalents	297,819
Trade and other receivables	341,819
Other financial assets	1,403
Property, plant and equipment	27,178
Total assets	668,219
Trade and other payables	3,480
Provisions	3,060
Total liabilities	6,540
Net assets	661,679

#### 4. CONTINGENCIES

The Company is not aware of any contingent liabilities as at 31 December 2015 or at the date of this report.

#### 5. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

The Company announced on the 21 January 2016 that the sale of its interests in the Bauxite Alumina Joint Ventures Pty Ltd, and the buy-back of all of Yankuang's shares in Bauxite Resources Limited had been completed following shareholder approval of the transaction at the Extraordinary General Meeting held on the 18 January 2016.

No other event that has arisen since 31 December 2015 which has significantly affected, or may significantly affect the operations of the Group, the result of those operations, or the state of affairs of the Group in subsequent financial years.

# DIRECTORS' DECLARATION

In the opinions of the directors' of Bauxite Resources Limited (the "Company"):

1. the financial statements and notes as set on pages 4 to 11, are in accordance with the Corporations Act 2001, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the Company's and the consolidated entity's financial position as at 31 December 2015 and of their performance for the half-year ended on that date;
2. In the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



**Robert Nash**  
**Chairman**

Perth, 11 March 2016

# INDEPENDENT AUDIT REPORT

## MOORE STEPHENS

---

Level 15, Exchange Tower  
2 The Esplanade  
Perth WA 6000

PO Box 5785, St Georges Terrace  
WA 6831

T +61 (0)8 9225 5355

F +61 (0)8 9225 6181

[www.moorestephens.com.au](http://www.moorestephens.com.au)

### INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF BAUXITE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES

#### Report on the Half-year Financial Report

We have reviewed the accompanying half-year financial report of Bauxite Resources Limited which comprises the consolidated condensed statement of financial position as at 31 December 2015, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

#### *Directors' Responsibility for the Half-Year Financial Report*

The directors of Bauxite Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410: Review of a Financial Report Performed by the Independent Auditor of the Entity, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Bauxite Resources Limited's financial position as at 31 December 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001. As the auditor of Bauxite Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

#### *Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of Bauxite Resources Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

Liability limited by a scheme approved under Professional Standards Legislation. Moore Stephens ABN 16 874 357 907. An independent member of Moore Stephens International Limited - members in principal cities throughout the world. The Perth Moore Stephens firm is not a partner or agent of any other Moore Stephens firm.

# INDEPENDENT AUDIT REPORT CONT.

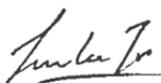
**MOORE STEPHENS**

---

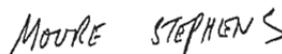
## *Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Bauxite Resources Limited is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2015 and of its performance for the half-year ended on that date; and
- (ii) complying with Accounting Standard AASB 134: Interim Financial Reporting and the Corporations Regulations 2001.



**Suan-Lee Tan**  
**Partner**



**Moore Stephens**  
**Chartered Accountants**

Signed at Perth this 11<sup>th</sup> day of March 2016

Liability limited by a scheme approved under Professional Standards Legislation. Moore Stephens ABN 16 874 357 907. An independent member of Moore Stephens International Limited - members in principal cities throughout the world. The Perth Moore Stephens firm is not a partner or agent of any other Moore Stephens firm.