

BAUXITE RESOURCES LIMITED



PROPORTIONAL TAKEOVER BID OVERWHELMINGLY REJECTED BY SHAREHOLDERS

Bauxite Resources Limited (“BRL” or the “Company”) advises that at the Extraordinary General Meeting today shareholders overwhelmingly rejected the Proportional Takeover for 50% of Shareholders current BRL holdings by Mercantile OFM Pty Ltd (“Mercantile”).

Over 99% of eligible shareholders who voted, voted AGAINST the Mercantile Proportional Takeover bid.

The Company has now issued the attached Section 648E(2) Notice to Mercantile.

DATE: 23 March 2018

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

Sam Middlemas

Chief Executive Officer and
Company Secretary

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Bauxite Resources Ltd

Sam Middlemas, CEO

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BAUXITE RESOURCES LIMITED (ACN 119 699 982)
NOTICE PURSUANT TO SECTION 648E(2) OF THE CORPORATIONS ACT 2001
(CTH)

To: 1. Mercantile OFM Pty Ltd (ACN 120 221 623) (**Mercantile**)
 2. Australian Securities Exchange.

NOTICE THAT PROPORTIONAL BID HAS BEEN REJECTED BY SHAREHOLDERS

This is a notice dated 23 March 2018 given by Bauxite Resources Limited (ACN 119 699 982) (**BRL**) in relation to the off-market takeover offer by Mercantile to acquire 50% of the issued shares of BRL (**Proportional Bid**) pursuant to Mercantile's bidder's statement dated 21 November 2017 as varied by the first supplementary bidder's statement dated 13 December 2017, second supplementary bidder's statement dated 25 January 2018 and the extension notice dated 19 February 2018.

Clause 36 of BRL's constitution requires a proportional takeover bid to be approved by BRL's shareholders (other than the bidder and its associates) in order for it to proceed (**Proportional Bid Resolution**).

Pursuant to section 648E(2) of the Corporations Act 2001 (Cth), BRL provides notice that at the general meeting of BRL shareholders held 23 March 2018, BRL shareholders considered the Proportional Bid Resolution and voted to reject the Proportional Bid.

Accordingly, as the Proportional Bid Resolution was voted on before the 14th day before the last day of the bid period for the Proportional Bid (**Resolution Deadline**):

- (a) all offers under the Proportional Bid that have not been accepted as at the end of the Resolution Deadline and all offers under the Proportional Bid that have been accepted and from whose acceptance binding contracts have not resulted as at the end of the Resolution Deadline are deemed to be withdrawn at the end of the Resolution Deadline;
- (b) as soon as practicable after the Resolution Deadline, Mercantile must return to each person who has accepted an offer under the Proportional Bid, and from whose acceptance binding contracts have not resulted as at the end of the Resolution Deadline, any documents that were sent by the person to Mercantile with the acceptance of the offer;
- (c) Mercantile:
 - (i) is entitled to rescind; and
 - (ii) must rescind as soon as practicable after the resolution deadline,each binding takeover contract resulting from the acceptance of an offer made under the Proportional Bid; and
- (d) a person who has accepted an offer made under the Proportional Bid is entitled to rescind the takeover contract (if any) resulting from the acceptance.

For shareholder queries, please contact BRL on +61 8 9200 8200.

Signed on behalf of Bauxite Resources Limited



Sam Middlemas
Chief Executive Officer