



## Bauxite Resources releases quarterly report

Thursday, 31 Jan 2008

Mineweb - London, England, UK

Listed on ASX on 22 October 2007, raising A\$7.5 million in oversubscribed IPO

Tenements and tenement applications cover approximately 6,440km<sup>2</sup> of highly prospective bauxite ground in Western Australia's Darling Range and Kimberley regions

Five further tenement applications made subsequent to listing, bringing the total number of tenements to 30 (3 granted and 27 in application)

Darling Ranges tenements located in a world-class bauxite production region covering part of the historical CSR/Pacminex Muchea Alumina Project area.

Close proximity to infrastructure, including a network of ports, rail and roads.

Close proximity to major international export markets.

Rising bauxite and aluminium prices due in large part to expanding Chinese bauxite and aluminium markets in recent years

Strong cash position (A\$7.8m) to fund exploration and development programme

Announcement of Options issue on a 1 for 2 Entitlement basis at an exercise price of 20 cents and expiry date of 31 January 2009

Appointment of experienced mining executive David McSweeney as Non-Executive Director

Appointment of Graeme Smith as Company Secretary.

About Bauxite Resources Ltd

Bauxite Resources was founded in May 2006 for the purpose of securing tenements over land deemed prospective for bauxite mineralisation. It listed on the ASX on 22 October 2007 after closing its A\$7.5 million IPO early and oversubscribed, having previously raised approximately \$1.3 million in seed capital.

The Company is looking to establish itself in the Bauxite and alumina industries in Western Australia - home to four of the seven Australian alumina refineries and four mines. The Company is the only ASX-listed junior explorer in the highly prospective Darling Range, which is the largest producing alumina region in the world - producing approximately 17% of the world's alumina - and home to Alcoa's Huntly Mine, the largest producing bauxite mine in the world.

The Company has now applied for a total of 30 tenements in the three project areas of Muchea (where three tenements have now been granted), South Darling Range and Kimberley. The Company is primarily focused on defining a sustainable economic bauxite resource through an intensive exploration and data review program to be undertaken in 2008/9. It will then look to develop a bauxite export industry by direct shipping and to further assess potential resources with a view to the development of an alumina refinery.

For further information please go to [www.bauxiteresources.com.au](http://www.bauxiteresources.com.au)

The Projects

The Company has applied for tenements in three project areas presenting different value propositions and exploration strategies, the primary aim being to initially identify economic bauxite resources.

In conjunction with local communities, environmental departments and key stake holders, the Company is to commence exploration programs with the aim of developing a sustainable bauxite export industry by direct shipping, and to further assess potential resources with a view to the development of an alumina refinery. A review of the historical drilling data is currently being scoped in relation to data quality, resource potential and to assess the merit of further exploration work.

The Company has also commenced scoping the preliminary and infrastructure studies necessary to build an alumina refinery to process the bauxite into alumina, and is in the process of appointing a number of key consultants.

Muchea Darling Range project 2,155km<sup>2</sup>

The Muchea Darling Range project covers part of an area in the Darling Range which was the subject of major exploration work completed in the late 1960's and 70's by CSR, Pacminex and Project Mining Corporation. By April 1970, 9,820 holes with 172,735 feet were drilled and 87,950 samples were analysed. In excess of two million dollars is reported to have been spent on the project by the Joint Venture parties.

Tenements held by the company in the Muchea Project area also cover significant areas with bauxite laterites indicated from the Geological Survey of Western Australia 1:250,000 scale geology map sheets. Field verification by the Company confirms extensive bauxite laterites within its tenements. To the knowledge of the Company no exploration to assess the economic potential of these additional bauxitic laterites has been carried out to date.

The bauxite laterites are largely preserved on plateaus and form outcropping ridges. The historical drilling has identified bauxite mineralisation from surface to a maximum depth of 12 metres. The bauxite laterites are commonly 2 to 3 metres in thickness and overlie a distinguishable saprolite weathered zone.

Comprehensive drilling programs are currently being planned to establish JORC compliant resource estimates in the areas of bauxite mineralisation that previously formed part of the feasibility studies by Pacminex (1970-1975) and CSR (1971-1975).

The Company has embarked on its electronic compilation of the historical exploration drilling and assaying data completed by previous companies. Detailed geological mapping with Landsat and Quickbird interpretation - also with aerial photography - is proceeding to identify and prioritise significant bauxite mineralised areas, as well as to identify further prospective bauxite zones.

Two further exploration licences have now been granted and a further three exploration licences have been applied for. The interpretations will require field verification and are to be completed prior to further exploration drilling.

Drilling will initially focus on those areas identified by Pacminex and CSR as containing economic bauxite mineralisation for which there exist non-JORC compliant reserve estimates reported by those companies, and then to focus on other areas identified by the Company.

#### South Darling Range project 2,521km<sup>2</sup>

The South Darling Range project covers predominantly privately owned land within the Alcoa State Agreement area as well as ground adjoining Alcoa and Worsley Alumina's mineral lease areas - extending from Jarradale in the north and south to Balingup.

The South Darling Range project covers areas previously identified in historical reports prepared by Project Mining Corporation and Bridge Oil Pty Ltd as containing bauxite resources. The project covers additional areas reported in geological surveys from the West Australian Geological Survey as containing bauxitic laterites.

The Company has commenced a review of all historical data available to the Company on this project area, in conjunction with a Landsat, aerial photography and a geological mapping program in order to prioritise exploration activities.

The Company strategy for the South Darling Range Project area is to identify sufficient bauxite resources to ship bauxite ore direct to overseas markets. Some of the tenements cover areas that were previously held by Alcoa and Worsley pursuant to State Agreements. The terms of the State Agreements may affect the Company's application to explore for bauxite, in which case the Company intends to negotiate with the relevant parties in an effort to secure bauxite exploration and mining rights to these areas.

A further exploration licence, Tenement E70/3312, has now been applied for in the Manjimup area of the South Darling Range, covering parts of areas which were previously explored by Vam Ltd from 1969 to 1973. In 1970, Vam Ltd completed a resource estimation which had average grades of 34% available alumina.

Drilling by Vam Ltd of the residual Tertiary/Quaternary lateritic bauxites overlying the Archaean granitic and gneissic basement had been completed with 2,368 Scout holes for 6,891 metres. The Scout drilling was completed along tracks and areas which were selected visually on the ground and from monochromatic aerial photographs.

#### Kimberley Bauxite project 1,765km<sup>2</sup>

Some of the largest known bauxite reserves in the world are in the Kimberley Mitchell Plateau and Cape Bougainville areas with the Kimberley project covering areas in the vicinity of the Mitchell Plateau bauxite resource.

The advent of recent and possible future major infrastructure projects in the area offers new and exciting exploration opportunities which the company intends to actively pursue through the application of an extensive exploration program.

Negotiations are continuing with the Kimberley Land Council in relation to Native Title Land access agreements.

No further ground has been applied for.

Off-take and Joint venture discussions

The Company continues to make and assess approaches from parties interested in off-take and Joint Venture agreements.

#### Corporate

As at 31 December 2007, Bauxite Resources had 607 shareholders with the Top 20 holding 66% of the Company (71 million shares).

The Company currently has A\$7.8 million cash on hand.

On 22 January 2008, the Company lodged a Prospectus for a non-renounceable Entitlement Issue of 53.8 million Options to acquire ordinary shares on a 1 for 2 basis. The exercise price of the Options is 20 cents and their expiry date is 31 January 2009.

Luke F Atkins

Executive Chairman

In accordance with the Australian Stock Exchange requirements, the technical information contained in this report has been reviewed by Mr. Neil Lithgow, a director of the company. Mr. Lithgow has in excess of 5 years experience in his field of activity and he consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.