BAUXITE RESOURCES LIMITED

ABN 72 119 699 982

INTERIM DARLING RANGE BAUXITE RESOURCE UPGRADE

- **FELICITAS RESOURCE NOW AT 127.5Mt**

- **TOTAL BAUXITE RESOURCE INCREASES TO 196.5Mt**

Key Points:

- Darling Range Felicitas deposit total resource increased by 74% to -

  127.5Mt @ 39.6% Al_2O_3 (total unbeneficiated), 30.1% Al_2O_3 (available), 2.0% SiO_2 (reactive)

- Includes Measured Resource of -

  33.1Mt @ 39.2% Al_2O_3 (total unbeneficiated), 30.5% Al_2O_3 (available), 1.3% SiO_2 (reactive)

- Resource has high available alumina to reactive silica ratios, considered desirable for alumina refining
- Felicitas resource comprises a bauxite horizon of up to 16m thickness
- 90Mt refinery grade bauxite hurdle achieved to support a bankable feasibility study under the bauxite refinery joint venture agreement with Yankuang Group
- Bauxite resources of BRL and its partners now total 196.5Mt with further upgrades pending

Bauxite Resources Limited (ASX: BAU) ("BRL" or "the Company") is pleased to announce a resource upgrade for the Felicitas bauxite deposit in the Darling Range Western Australia. The resource is situated on a small number of large private landholdings located approximately 60km north east of Perth, and 10km from the town of Wundowie. The resource is less than 5 km from existing rail infrastructure providing a direct link to Fremantle/Kwinana Port being approximately 120 km away.

The Felicitas resource is contained within the Company's Bauxite Alumina Joint Ventures ("BAJV") joint venture with Yankuang Resources Ltd ("Yankuang"). BAJV is managing the project.

Table 1: Total Felicitas Deposit Resource Classification

| JORC classification	Quantity (Mt)	Al_2O_3 (total)* %	Al_2O_3 % (available)*	SiO_2 % (reactive) *	Al_2O_3 (avail) : SiO_2 (react)
Measured	33.1	39.2	30.5	1.3	23.5
Indicated	49.1	40.2	30.4	2.0	15.2
Inferred	45.3	39.2	29.6	2.6	11.4
Total	**127.5**	**39.6**	**30.1**	**2.0**	**15.1**

Note – All grades are unbeneficiated

The BAJV has now identified in excess of 90 million tonnes of refinery grade bauxite at Felicitas, a critical hurdle for the joint venture to develop an alumina refinery. Under the joint venture agreement, BAJV is obligated to complete a bankable feasibility study into the viability of building a refinery in Western Australia capable of producing 1.1 million tonnes per annum of alumina. The costs of the bankable feasibility will be borne 90% by Yankuang and 10% BRL.

Resource Location & Logistics

The Felicitas deposit extends across 3,300Ha (33km^2) of large private landholdings, 10km north of Wundowie and 60km north northeast of Perth (Figure 1). The deposit is situated on a small number of large private landholdings readily accessible by sealed road that have been cleared for farming and grazing. These are located approximately 5km from existing rail infrastructure and approximately 120km by rail to Kwinana port. The area is bounded to the west by state forest, to the north and east by existing quarry operations, and to the south by farmland.

Figure 1: Bauxite Resources Ltd tenement holding showing Felicitas Resource location
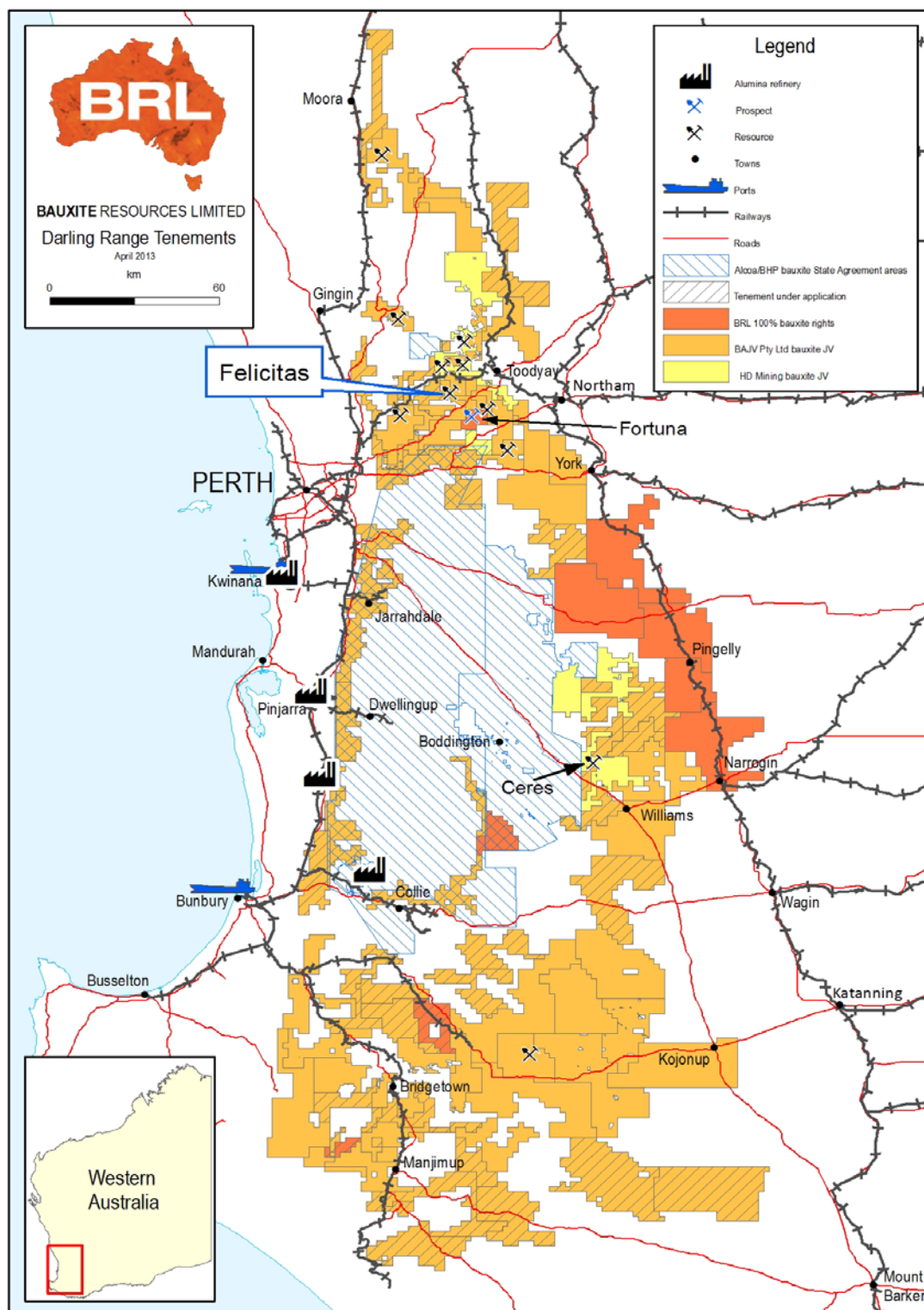
Bauxite Resource Details

The previous Felicitas bauxite resource stood at 73.3Mt, as announced in June 2012. The resource upgrade has resulted from an increase in specific gravity (SG) utilised for modelling, and from 729 step out drill holes, completed on a nominal 80m x 80m grid pattern (Figure 2). The SG was determined on drill core collected from drilling completed at Felicitas during March and April 2013. An SG of 2.17 was determined at Nagrom laboratory Perth, based on the lower quartile value taken from the results of 89 samples from across the modelled bauxite zone. The previously used SG of 1.6 was based on historical measurements from largely unconsolidated material, and as such, under called resource tonnes in the earlier resource estimate.

The Felicitas deposit comprises a bauxite horizon up to 16m thickness that is typically covered by 0.5m to 2m of loose overburden. The resource estimate, completed by RungePincockMinarco (RPM), was based on 3,350 vertical holes drilled for 13,975 metres on a nominal 80 x 80m drill pattern. The available alumina and reactive silica results quoted are unbeneficiated based on low temperature caustic digest analysis (143°C), to simulate extraction by the Bayer process.

The extent of the bauxite mineralisation has not been fully determined and additional drilling is underway. An additional resource upgrade is expected during the current quarter.

The Felicitas resource upgrade adds to the global resource base that BRL and its joint venture partners have defined within the Darling Range of Western Australia.

Table 2 below provides a summary of the total bauxite resources and the bauxite rights that are attributable to the company.

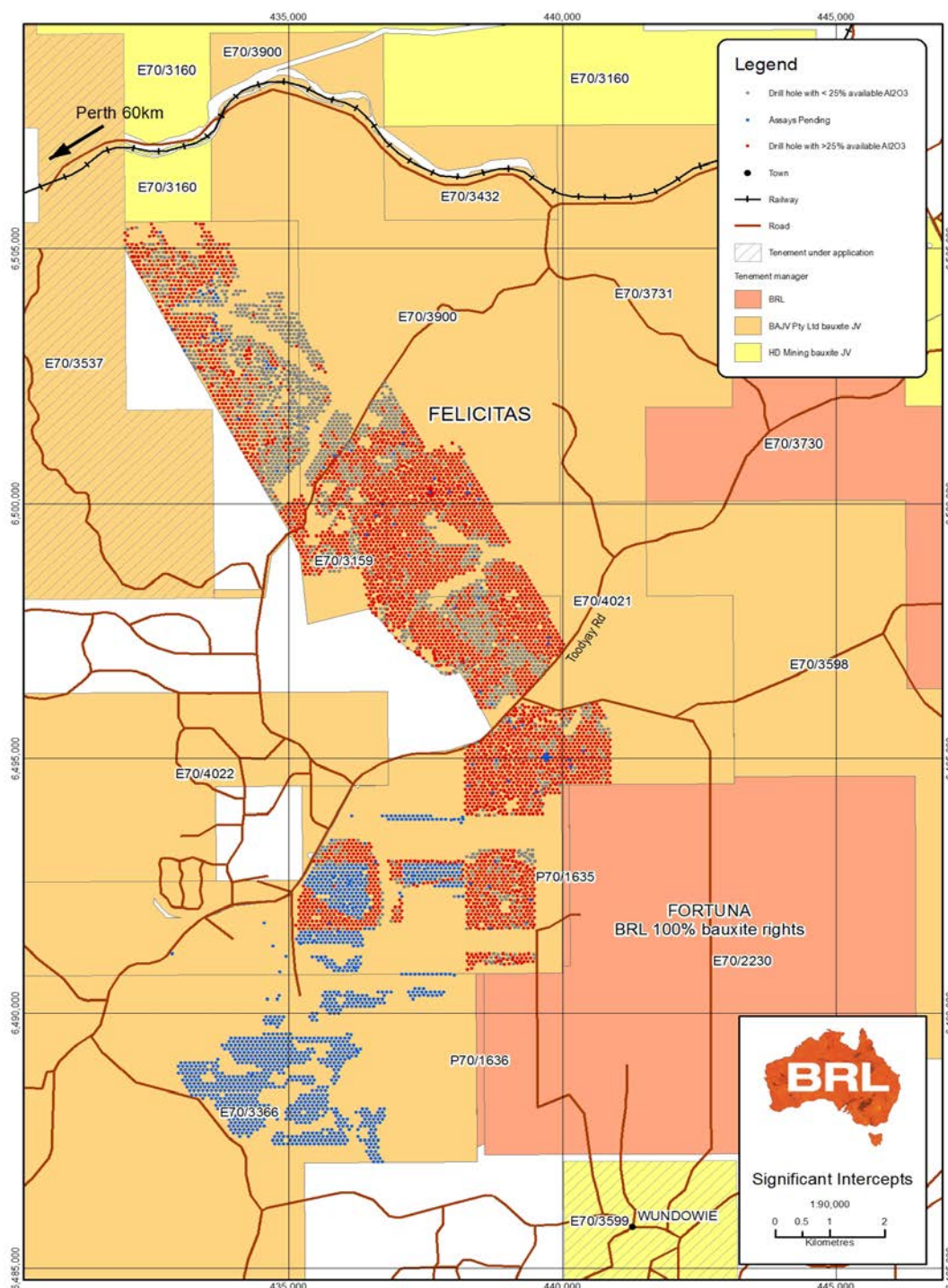**Figure 2: Felicitas Resource drill hole location map**

Table 2: BRL Bauxite Projects in south west Western Australia – Resource Summary Table

Deposit & Classification	Size Mt	Al$_2$O$_3$ (total) %	Al$_2$O$_3$ (available) % [#]	SiO$_2$ (reactive) % [#]	JV & Resource Details
Felicitas					
Measured	33.1	39.2	30.5	1.3	BAJV (Apr 2013)
Indicated	49.1	40.2	30.4	2.0	BAJV (Apr 2013)
Inferred	45.3	39.2	29.6	2.6	BAJV (Apr 2013)
Cardea 3 (BAJV)					
Indicated	3.5	42.5	31.1	3.2	BAJV (Nov 2011)
Inferred	7.0	41.0	30.1	3.5	E70/3432
Minerva					
Inferred	2.2	38.7	28.9	3.9	BAJV (Aug 2011)
Aurora					
Indicated	7.0	43.5	33.0	3.1	BAJV (Apr 2011)
Inferred	4.4	41.3	30.2	4.0	
Rusina					
Inferred	3.7	40.3	29.1	5.3	BAJV (Apr 2011)
Juturna					
Inferred	8.2	40.2	29.9	3.9	BAJV (Jun 2011)
Vallonia					
Inferred	1.5	36.6	28.0	3.9	BAJV (Jun 2011)
Cronus					
Inferred	2.8	39.3	28.3	2.8	BAJV (Jul 2012)
BAJV sub-total	**167.8**	**39.9**	**30.2**	**2.4**	
Cardea (1&2)					
Inferred	6.4	41.8	29.3	4.3	HDMJV (Aug 2011)
Cardea 3 (HDM)					
Indicated	1.1	42.8	30.0	4.0	HDMJV (Nov 2011)
Inferred	6.2	40.3	28.9	4.4	E70/3160
Ceres					
Inferred	15.0	40.9	31.7	3.0	HDMJV (Jul 2012)
HDM sub-total	**28.7**	**41.0**	**30.5**	**3.6**	
Total Measured	**33.1**	**39.2**	**30.5**	**1.3**	Apr-13
Total Indicated	**60.7**	**40.8**	**30.7**	**2.2**	Apr-13
Total Inferred	**102.7**	**40.0**	**29.8**	**3.2**	Apr-13
South West WA TOTAL Bauxite	**196.5**	**40.1**	**30.2**	**2.6**	Apr-13

Measured with low temperature (143°C) caustic to simulate low temperature Bayer Process.

BAJV - Bauxite Alumina Joint Venture area with Yankuang Resources Ltd where the BRL retains 30% beneficial interest in the bauxite rights.

HDM – Resources within joint venture with HD Mining & Investments Pty Ltd, the wholly owned subsidiary of Shandong Bureau No.1 Institute for Prospecting of Geology & Minerals. At the time of writing the Company retains 100% beneficial interest. HD Mining can earn up to 60 % of bauxite rights upon completion of certain milestones including completion of a BFS leading to a decision to mine.

COMPETENT PERSON STATEMENT

The information in this report that relates to **Cardea1&2, Juturna, Minerva, Rusina and Vallonia Mineral Resources** is based on information compiled by Peter Senini who is a Member of the Australian Institute of Geoscientists. Mr Senini is a consultant to the Company. 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 his information in the form and context in which it appears.

The information in this report that relates to **Felicitas, Cardea3, Aurora, Ceres and Cronus Mineral Resources** is based on information compiled by Graham de la Mare who is a Member of the Australian Institute of Geoscientists. Mr de la Mare is employed by RungePincockMinarco (RPM). Mr de la Mare 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 de la Mare consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this announcement that relates to Exploration results is based on information compiled by Mark Menzies, who is a member of the Australian Institute of Geoscientists. Mr Menzies is a qualified geologist and a full time employee, and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 Menzies has consented to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

JORC Compliant Resource Statements

The following are Joint Ore Reserve Code (JORC) compliant Public Reports released to the ASX declaring the JORC resources referred to. These can be viewed on both the ASX and the Company websites, free of charge.

02/05/2011	Aurora, Rusina: Progress Report - Resource Upgrade, 15.1 million tonnes
21/06/2011	Vallonia, Juturna: Progress Report - Resource Upgrade, 9.7 million tonnes
22/08/2011	Cardea 1&2, Minerva: Resource Upgrade, 8.6 million tonnes
02/11/2011	Cardea3: Resource Update, 17.8 million tonnes
05/06/2012	Felicitas: 73Mt New Bauxite Resource at Felicitas Deposit, 73.3 million tonnes
30/07/2012	Ceres: New Bauxite Resource at Williams Project Western Australia, 15.0 million tonnes
26/10/2012	Cronus: Annual Report to Shareholders, 2.8 million tonnes

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Parameters for Felicitas resource estimate	
Sampling techniques	Vacuum samples were collected as 0.5m samples using a twin riffle splitter.
Drilling techniques	All drilling was undertaken using a tractor mounted vacuum drill rig utilising a 45mm drill bit.
Drill sample recovery	Actual recoveries are not recorded but riffle split samples are weighed and should be approximately 1.5kg. This provides an indirect record of sample recovery. Geologists comment when recovery is poor or ground conditions are wet.
Logging	All holes were field logged by company geologists. Lithology and weathering information is routinely recorded.
Sub-sampling techniques and sample preparation	All sampling procedures are considered to be of an acceptable standard and adhere to industry standards. 0.5m vacuum samples collected at the rig using a riffle splitter to collect approximately 1.5kg samples in calico bags, with the remaining sample dropped onto the ground. The original procedure for field duplicate sampling for vacuum drilling was to retain both riffle split samples at a rate of 1:100. Recently this has been increased to a rate of 1:25.
Quality of assay data and laboratory tests	Estimates for principal bauxite components of alumina, silica, iron, titania, loss on ignition, and a suite of trace elements analysed by FTIR, XRF, and BOM at Nagrom Laboratory in Perth. Laboratory control measures include the use of four matrix matched standards, and determination of precision and accuracy according to ISO standards (certified standards, blanks, check assay and duplicate sampling). BAJV programs of QAQC have produced results which support the sampling and assaying procedures used at the site.
Verification of sampling and assaying	No verification of intersections has been carried out at Felicitas
Location of data points	The majority of the drill holes used in the resource estimate have been accurately surveyed. Down hole surveys have not been taken as drill holes are all less than 25m in depth and drilled vertically through the predominantly flat lying laterite. A total of 1,319 holes have yet to be surveyed.
Data spacing and distribution	The staggered drill spacing of 80m (along strike) by 80m (on section) is considered adequate to establish both geological and grade continuity.
Orientation of data in relation to geological structure	The orientation of the drilling (vertical) is approximately perpendicular to the sub-horizontal mineralisation and is unlikely to have introduced any significant sampling bias.
Audits or reviews.	Sampling techniques were viewed in the field.
Database integrity	Data audits were undertaken in Surpac. No major errors were recorded. rOREdata validate the database before sending to BAJV.
Geological interpretation	Geological logging of drill cuttings has confirmed the geometry of the mineralisation with a high degree of confidence. Geochemical changes down hole have been used to determine the bauxite zone.
Dimensions	The Felicitas resource area extends over a strike length of 14.8km (from 6,490,730mN – 6,505,500mN) and includes the 25m vertical interval from 358mRL to 333mRL.
Estimation and modelling techniques	The deposit mineralisation was constrained by wireframes constructed using noted geochemical changes in available alumina and reactive silica downhole. The wireframes were applied as hard boundaries in the estimate. The bauxite domain was constrained into 19 separate objects. A statistical analysis was conducted on these objects. No high grade cuts were applied to the data. A geostatistical analysis was carried out on the main object 10 as this object was now comprised of previous separate objects. The resultant parameters were applied to adjacent smaller lodes. The geostatistical analysis on the other main lodes completed in 2012 remained unchanged due to the small number of extra holes within those objects. Using parameters derived from modeled variograms, Ordinary Kriging was used to estimate average block grades in 3 passes using Surpac. Parent block size of 40m NS by 40m EW by 1m vertical with sub-cells of 20m by 20m by 0.5m. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing in the deposit. Validation of the model included detailed comparison of composite grades and block grades by northing and elevation. Validation plots showed good correlation between the composite grades and the block model grades.
Moisture	Tonnages and grades were estimated on a dry in situ basis. No moisture values were reviewed
Cut-off parameters	The Mineral Resource has been reported at a 25% Av Al2O3 cut-off and has been based on assumptions about economic cut-off grades for open pit mining.
Mining factors and assumptions	The deposit has the potential to be mined using open pit techniques.
Metallurgical assumptions	No assumptions have been made regarding metallurgy other than the material could be refined using the industry recognised Bayer Processing method.
Bulk density	The in situ bulk density assignment was based on 89 measurements on diamond core samples taken from the current BAJV drilling program The selected value of 2.17t/m3 represents the lower quartile value.
Classification	Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Identified Mineral Resources and Ore Reserves (JORC, 2004). The resource was classified as Measured, Indicated and Inferred Mineral Resource based on data quality and continuity of mineralisation. The Measured portion of the resource was defined where the drill spacing was at a regular 80m spacing and the bauxite domain was approximately 8m or thicker and continuity was robust across each section. These areas occurred on the flat to slightly inclined areas. The Indicated portion of the resource was defined where the drill spacing was drilled on an 80m by 80m pattern, continuity of mineralisation was good with a thickness of greater than 4m, and the topography was generally flat or slightly inclined. The Inferred portion included the remainder of the deposit defined by an 80m by 80m drill spacing, the mineralised continuity was less continuous and the topography more undulating.
Audits and reviews	Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.