

SHANDONG BUREAU RECEIVES FINAL CHINESE REGULATORY APPROVAL FOR \$9.85M BRL INVESTMENT

STRATEGIC CORNERSTONE INVESTOR TO UNDERPIN BRL'S EXTENSIVE DEVELOPMENT PLANS FOR DARLING RANGE BAUXITE PROJECT, SOUTH WESTERN AUSTRALIA

HIGHLIGHTS

- Shandong Provincial Department of Commerce officially approves placement of 19,700,000 BRL shares to an entity controlled by the Shandong Provincial Bureau of Geology and Mineral Resources (SDGM).
- Remittance of the placement funds is underway.
- Placement to be made at \$0.50 per BRL share, which represents a premium to the \$0.44 closing price of BRL's shares on 23 June and reinforces SDGM's confidence in BRL's Darling Range Bauxite Project.
- Proceeds of the A\$9.85m placement are due to be received by BRL not later than 30 June 2009. Funds to underpin fast-track development of Darling Range Bauxite Project.
- Direct Shipping Ore (DSO) bauxite operation is scheduled to commence in Q3 this year with a trial spot shipment planned for delivery to the Shandong Province.

Perth-based bauxite explorer and developer, Bauxite Resources Ltd (ASX: **BAU**, "BRL") has cleared the last hurdle prior to receiving the placement proceeds for a A\$9.85m share placement from, the Shandong Provincial Bureau of Geology and Mineral Resources ("SDGM").

The placement price is at a premium to the closing price of BRL's shares on 23 June of \$0.44, reinforcing SDGM's confidence in BRL's ability to develop its extensive Darling Ranges land holdings into a profitable long-term bauxite production and export business.

Upon receipt of the funds which are required to be received prior to 30 June 2009, BRL will then proceed with the allotment of 19,700,000 shares to SDGM at a price of \$0.50 per share – giving SDGM a stake of 13% in BRL following the placement.

The cash injection will allow BRL to aggressively pursue its bauxite exploration program as well as its Stage 1 DSO operation, which the Company intends to commence with a trial spot shipment in the September quarter.

The Board of BRL will continue to foster the relationship built up between itself and SDGM for the benefit of both parties, with SDGM seen as an extremely important strategic ally in facilitating the export of BRL's bauxite to alumina refineries in the Shandong Province of China.



Trial Mining

BRL has completed a successful trial quarrying and bauxite extraction costean programme of some 300 tonnes of bauxite for bulk sample for overseas customers. BRL expects to commence bauxite production at its **North Darling Range Project** in the September Quarter of 2009 and will initially target approximately 200,000 tonnes of bauxite. BRL's Bauxite will be transported to the Kwinana port for direct loading onto the ship loading conveyor and subsequent loading onto Handimax-class ships.

The bauxite will initially be extracted from areas of private, freehold farmland where previous drill results have indicated bauxite mineralisation at surface, with grades that are consistent with current potential customers' specifications and requirements.

Trial Trade Samples

Trial trade samples obtained from the costean programme have been despatched to a number of potential Chinese refinery customers as well as a number of Chinese and Japanese mineral traders.

Beneficiation

Beneficiation studies and trials for simple dry screening and magnetic separation continue under the supervision of BRL's internationally renowned Technical Marketing and Quality Controller, Ben Ziegelaar. Significant insight and progress has been made in the abilities to upgrade and increase extraction of Al₂O₃ from the bauxite laterites since Mr Ziegelaar joined BRL from Rio Tinto earlier this year.

Key Exploration Appointment

BRL has strengthened its geology team with the full time appointment of Peter Senini as Principal Advisor, Geological and Technical Services. Mr Senini joins BRL from Alcoa where he worked for 28 years until his recent departure as Senior Geologist. BRL has commenced exploration further afield as BRL capitalizes on his immense experience.

BRL's Joint Venture plans for stage 2

Negotiations continue to advance with potential strategic joint venture investment partners in relation to BRL's longer term planned Stage 2 Alumina Refinery Project as BRL continues with its prefeasibility studies as a forerunner to a planned bankable feasibility study.

-ENDS-

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BACKGROUND

Background - Bauxite Resources Limited (BRL)

BRL was launched in May 2006 to establish itself in the bauxite and alumina industries in Western Australia where four of the seven Australian alumina refineries and four of Australia's bauxite mines are located. BRL successfully listed on the ASX on 22nd October 2007 after closing it's A\$7.5 million IPO early and oversubscribed, having previously raised approximately \$1.3 million in seed capital.

The Company is the largest tenement holder in the Darling Range with approximately 15,000km². This area is the largest producing alumina region in the world, supplies approximately 18% of the world's alumina and is home to Alcoa's Huntly Mine, the largest producing bauxite mine in the world, supplying Alcoa's Pinjarra refinery, the second

largest refinery in the world. The Darling Range is also the site of four alumina refineries, three of these are in the top five refineries in the world in terms of lowest operating costs.

BRL's Darling Range tenements extend in a band from Moora in the north to Manjimup in the south, a distance of some 400 kilometres. In total BRL has applied for a total of 84 tenements in the five project areas; 76 tenements are located in the North, South and East Darling Range project areas, six tenements in the Kimberley project area and two in the Northern Territory. Three of these licenses have been granted in the North Darling Range Project area and a further one receiving Ministerial recommendation for grant in this project area.

The Company is primarily focused on defining an initial sustainable economic bauxite resource sufficient to support a >3Mtpa DSO bauxite project through an intensive exploration and data review program to be undertaken in 2008/9 as Stage 1. The Company is also reviewing the opportunities for the development of an alumina refinery as Stage 2 in the longer term.

Bauxite ore is the primary raw material for refining into alumina, which is subsequently smelted creating aluminium. For further information please visit: www.bauxiteresources.com.au

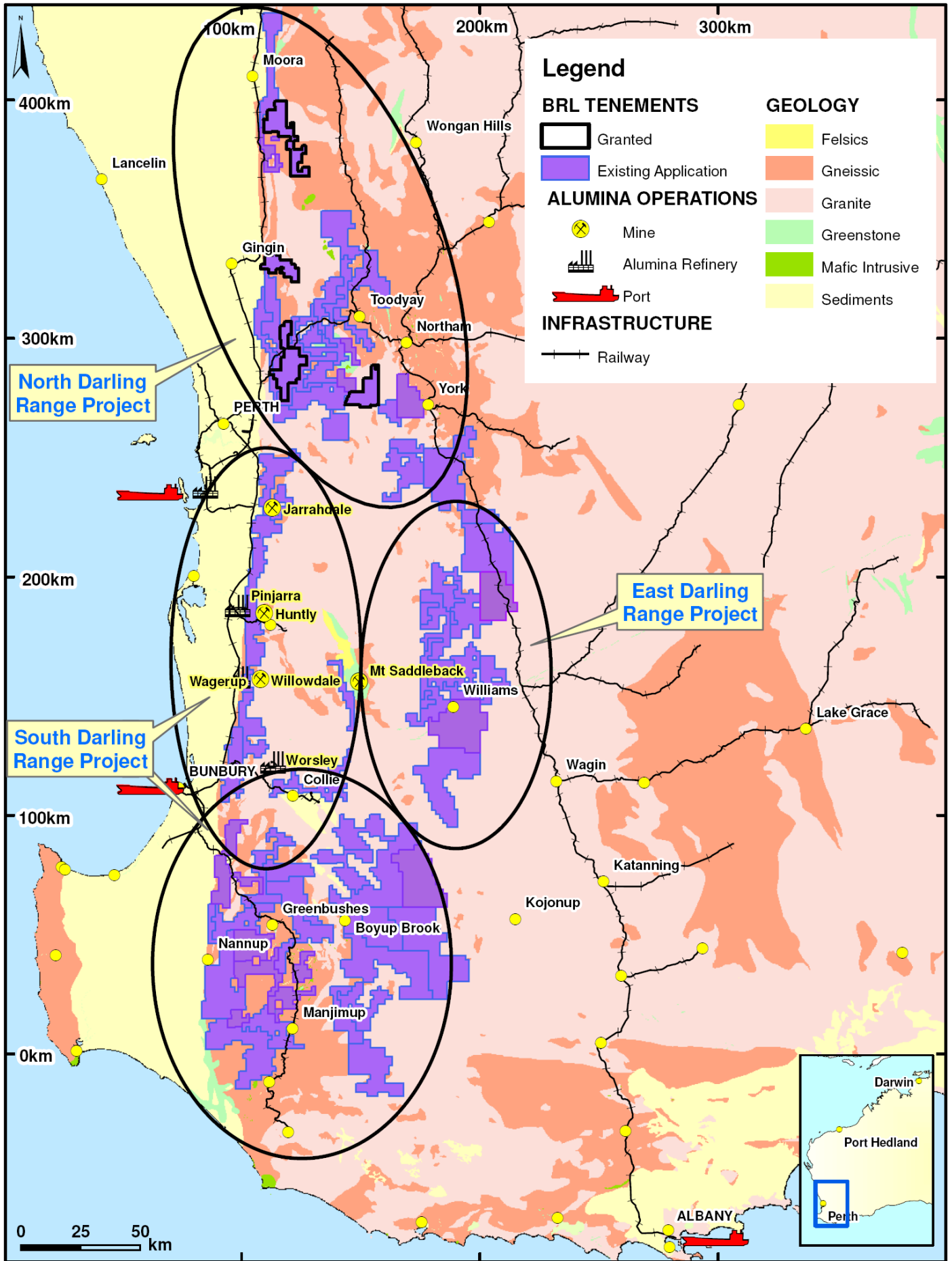
Background – Shandong Provincial Bureau of Geology & Mineral Resources

Established in 1958, SDGM is a Chinese provincial government organisation with a staff of 13,775. There are 21 geology and prospecting entities attached to the Bureau engaged in; geo-mineral exploration, hydro geological exploration, environmental geological survey, exploitation and development of minerals. Over the last 50 years, SDGM has discovered, assessed and invested in some 81 mineral projects worldwide including- 167 gold mines with proven reserves accounting for 25% of the country's total;

- The first original diamond deposit with a reserve of 3.49 million grams;
- Proved iron ore deposit of over 2 billion tons;
- Coal deposits of more than 25 billion tons;
- Gypsum of some 38 billion tons; and
- Sapphire deposits of over 1,445 kilograms.

SDGM has completed over 3,000 projects in relation to geological services, generating 10 trillion RMB in value to the Chinese economy. The Bureau has been involved in many exploration and development projects in more than a dozen countries as well as in other parts of China. These projects include geotechnical surveys and foundation-laying works pertaining to the construction of airports, rails, cableways and sports facilities like Beijing Olympic Games venues. For further information please visit: www.sddkj.com

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. 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. Lithgow, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Lithgow 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. Lithgow consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.



BAUXITE RESOURCES LTD
DARLING RANGE PROJECTS

SUMMARY PLAN
JUNE 2009

