

BAUXITE RESOURCES LIMITED
ABN 72 119 699 982
CONSOLIDATED INTERIM FINANCIAL REPORT
FOR THE HALF YEAR ENDED
31 DECEMBER 2008

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 2008 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*.

BAUXITE RESOURCES LIMITED

31 DECEMBER 2008

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BAUXITE RESOURCES LIMITED

31 DECEMBER 2008

DIRECTORS' REPORT

Your directors are pleased to present their report on Bauxite Resources Limited for the half-year ended 31 December 2008.

DIRECTORS

The names of the directors who held office during or since the end of the half-year, to the date of this report, are:

Luke Atkins

Robert Nash

Neil Lithgow

David McSweeney

Daniel Tenardi (appointed September 2008)

REVIEW AND RESULTS OF OPERATIONS

A summary of revenues and results for the half-year is set out below:

	2008	
	Consolidated	
	Revenues	Results
	\$	\$
Bauxite Resources Limited	256,220	(758,636)

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 \$7.5 million IPO early and oversubscribed.

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 is the only ASX-listed junior explorer in the highly prospective Darling Range, which produces approximately 17% of the world's alumina and is home to Alcoa's Huntly Mine, the largest producing bauxite mine in the world.

The Company has applied for 60 tenements in the four project areas of Darling Range North, Darling Range South, Darling Range East and Kimberley and is primarily focused on defining a sustainable, economic bauxite resource through an intensive exploration program and will 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.

CAPITAL RAISING VIA EXERCISE OF OPTIONS AND CASH POSITION

The company as at 31 December 2008 had 53,424,180 listed options on issue exercisable at 20 cents each and expiring on 31 January 2009. In the period up to and including 31 January 2009 23,451,158 options were exercised raising a total of \$4,690,232 (the balance of the options lapsed). Capital raising costs amounted to \$206,260. The company's cash position has therefore improved significantly since 31 December 2008 and 23,451,158 shares were issued pursuant to the exercise of the options.

BAUXITE RESOURCES LIMITED

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SUBSIDIARIES

The consolidated financial statements for the half year incorporate the assets, liabilities and results of the following subsidiaries:

Name	Incorporation Date	Class of Shares	Equity Holding	
			2008 %	2007 %
Darling Range Pty Ltd	10 June 2008	Ordinary	100	-
Darling Range South Pty Ltd	13 November 2008	Ordinary	100	-
Braeburn Resources Pty Ltd	24 July 2007 (Note 3)	Ordinary	100	-

(1) The proportion of ownership interest is equal to the proportion of voting power held.

(2) All subsidiaries were incorporated in Australia.

(3) The entire issued capital of Braeburn Resources Pty Ltd was acquired by Bauxite Resources Ltd on 14 August 2008.

Subsequent to 31 December 2008 another two subsidiary companies were formed as follows:

BRL Operations Pty Ltd incorporated on 16 February 2009 and BRL Landholdings Pty Ltd incorporated on 16 February 2009.

AUDITORS' INDEPENDENCE DECLARATION

A copy of the auditors' independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

This report is made in accordance with a resolution of directors.



Luke Atkins

Director

Perth, 12 March 2009

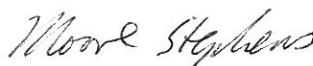
**AUDITOR'S INDEPENDENCE DECLARATION UNDER SECTION
307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS
OF BAUXITE RESOURCES LIMITED**

I declare that, to the best of my knowledge and belief, during the half year ended 31 December 2008, there have been:

- (a) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the review, and
- (b) no contraventions of any applicable code of professional conduct in relation to the review.



**NEIL PACE
PARTNER**



**MOORE STEPHENS
CHARTERED ACCOUNTANTS**

Signed at Perth this 12th day of March 2009.

BAUXITE RESOURCES LIMITED**31 DECEMBER 2008****CONSOLIDATED INCOME STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	Half-year	
	2008	2007
	\$	\$
REVENUE FROM CONTINUING OPERATIONS	256,220	127,173
EXPENDITURE		
Depreciation and amortisation expense	(30,163)	(1,152)
Salaries and employee benefits expense	(251,804)	(140,005)
Share based payment expense	(141,381)	-
Administration expenses	(591,508)	(78,806)
LOSS BEFORE INCOME TAX	(758,636)	(92,790)
Income tax benefit / (expense)	-	-
LOSS ATTRIBUTABLE TO EQUITY HOLDERS OF BAUXITE RESOURCES LIMITED	(758,636)	(92,790)
Basic and diluted loss per share (cents)	(0.7)	(0.1)

The above income statement should be read in conjunction with the accompanying notes.

BAUXITE RESOURCES LIMITED**31 DECEMBER 2008****CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2008**

	31 December 2008 \$	30 June 2008 \$
CURRENT ASSETS		
Cash and cash equivalents	6,486,354	7,641,339
Trade and other receivables	86,932	116,786
TOTAL CURRENT ASSETS	6,573,286	7,758,125
NON-CURRENT ASSETS		
Trade and other receivables	74,810	-
Plant and equipment	166,904	141,517
Tenement acquisition & exploration	1,186,307	612,292
Intangible assets	1,027	1,174
TOTAL NON-CURRENT ASSETS	1,429,048	754,983
TOTAL ASSETS	8,002,334	8,513,108
CURRENT LIABILITIES		
Trade and other payables	224,615	119,334
TOTAL CURRENT LIABILITIES	224,615	119,334
TOTAL LIABILITIES	224,615	119,334
NET ASSETS	7,777,719	8,393,774
EQUITY		
Contributed equity	8,690,356	8,689,156
Share Based Payment Reserve	610,952	469,571
Retained profits/(accumulated losses)	(1,523,589)	(764,953)
TOTAL EQUITY	7,777,719	8,393,774

The above balance sheet should be read in conjunction with the accompanying notes.

BAUXITE RESOURCES LIMITED**31 DECEMBER 2008****CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE HALF YEAR ENDED 31 DECEMBER 2008**

	Half-year	
	2008	2007
	\$	\$
TOTAL EQUITY AT THE BEGINNING OF THE HALF-YEAR	8,393,774	1,276,867
LOSS FOR THE HALF-YEAR	(758,636)	(92,790)
TOTAL RECOGNISED INCOME AND EXPENSE FOR THE HALF-YEAR ATTRIBUTABLE TO MEMBERS OF BAUXITE RESOURCES LIMITED	(758,636)	(92,790)
Transactions with equity holders in their capacity as equity holders:		
Shares issued during the half-year	1,200	7,500,000
Transaction costs	-	(625,482)
Employee Share Options	141,381	
	142,581	6,874,518
TOTAL EQUITY AT THE END OF THE HALF-YEAR	7,777,719	8,058,595

The above statement of changes in equity should be read in conjunction with the accompanying notes.

BAUXITE RESOURCES LIMITED

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**CONSOLIDATED CASH FLOW STATEMENT
FOR THE HALF-YEAR ENDED 31 DECEMBER 2008**

	Half-year	
	2008	2007
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Expenditure on mining interests	(558,704)	(66,346)
Payments to suppliers and employees	(728,611)	(236,205)
Interest received	186,532	127,173
Net cash outflow from operating activities	(1,100,783)	(175,378)
CASH FLOWS FROM INVESTING ACTIVITIES		
Payment for plant and equipment	(55,402)	(8,345)
Net cash outflow from investing activities	(55,402)	(8,345)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of borrowings	-	(92,239)
Share issue transaction costs	-	(625,482)
Proceeds from issue of shares	1,200	7,500,000
Net cash inflow from financing activities	1,200	6,782,279
Net increase/(decrease) in cash and cash equivalents	(1,154,985)	6,598,556
Cash and cash equivalents at the beginning of the half-year	7,641,339	1,182,561
CASH AND CASH EQUIVALENTS AT THE END OF THE HALF-YEAR	6,486,354	7,781,117

The above cash flow statement should be read in conjunction with the accompanying notes.

BAUXITE RESOURCES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: BASIS OF PREPARATION OF THE HALF-YEAR FINANCIAL REPORT

This general purpose financial report for the interim half-year reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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 2008 and any public announcements made by Bauxite Resources Limited during the interim period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

NOTE 2: SEGMENT INFORMATION

The company operates in predominantly one business and geographical segment, being mineral exploration in Australia.

NOTE 3: CHANGES IN EQUITY SECURITIES ON ISSUE

	2008 Shares	2008 \$	2007 Shares	2007 \$
Issues of ordinary shares during the half-year				
Issued for cash at Initial Public Offering	-	-	37,500,000	7,500,000
Exercise of options	6,000	1,200		
Capital raising costs	-	-	-	(625,482)
	6,000	1,200	37,500,000	6,874,518

NOTE 4: CONTINGENCIES

Under the terms of the Employment Agreement of the Managing Director, Mr Daniel Tenardi, a performance based incentive payment of \$750,000 is payable on the first shipment of bauxite under the Company's proposed direct shipping operation if the shipment is completed within 3 years of the commencement of employment.

Other than the above there has been no change in contingent liabilities or contingent assets since the last annual reporting date.

NOTE 5: SUBSEQUENT EVENTS

The company as at 31 December 2008 had 53,424,180 listed options on issue exercisable at 20 cents each and expiring on 31 January 2009. In the period up to and including 31 January 2009 23,451,158 options were exercised raising a total of \$4,690,232 (the balance of the options lapsed). Capital raising costs amounted to \$206,260. The company's cash position has therefore improved significantly since 31 December 2008 and 23,451,158 shares were issued pursuant to the exercise of the options.

BAUXITE RESOURCES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS

NOTE 5: SUBSEQUENT EVENTS (continued)

Subsequent to 31 December 2008 another two subsidiary companies were formed; BRL Operations Pty Ltd incorporated on 16 February 2009 and BRL Landholdings Pty Ltd incorporated on 16 February 2009.

Other than the above events, no other matter or circumstance has arisen since 31 December 2008, 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.

BAUXITE RESOURCES LIMITED

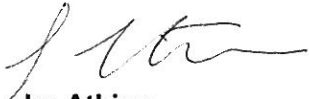
31 DECEMBER 2008

DIRECTORS' DECLARATION

In the directors' opinion:

1. the financial statements and notes set out on pages 6 to 11 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) giving a true and fair view of the consolidated entity's financial position as at 31 December 2008 and of its performance for the half-year ended on that date; and
2. there are reasonable grounds to believe that Bauxite Resources Limited 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 directors.



Luke Atkins

Director

Perth, 12 March 2009

**INDEPENDENT REVIEW REPORT
TO THE MEMBERS OF BAUXITE RESOURCES LIMITED****Report on the Half-Year Financial Report**

We have reviewed the accompanying half-year financial report of Bauxite Resources Limited and controlled entities, which comprises the balance sheet as at 31 December 2008, the income statement, statement of changes in equity and the cash flow statement for the half-year ended on that date, a summary of significant accounting policies, selected explanatory notes and the directors' declaration .

Directors' Responsibility for the Half-Year Financial Report

The company's and controlled entities' directors are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the Corporations Act 2001. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the half-year financial report that it is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

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 an Interim 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 financial report is not in accordance with the Corporation Act 2001 including: giving a true and fair view of the controlled entities' financial position as at 31 December 2008 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 financial report.

A review of the half-year financial report consists of making enquiries, primarily of persons responsible for the 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 followed applicable independence requirements of Australian professional ethical pronouncements and the Corporations Act 2001.

We declare to the best of our knowledge and belief that the auditor's independence declaration set out on page 5 of the financial report has not changed as at the date of providing our review report.

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 and controlled entities is not in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the controlled entity's financial position as at 31 December 2008 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; and
- (b) other mandatory professional reporting requirements in Australia.



**NEIL PACE
PARTNER**



**MOORE STEPHENS
CHARTERED ACCOUNTANTS**

Signed at Perth this 12th day of March 2009.