



YANKUANG TO PAY \$6.1M EXPLORATION REIMBURSEMENT TO BRL; FURTHER REIMBURSEMENT DUE ON DSO EXPENDITURE.

KEY POINTS:

- Subject to FIRB approval of the recently announced BRL-Yankuang Resources joint venture and Detailed Agreements, Yankuang will pay \$6.1mi reimbursement of exploration expenses to BRL as part of the joint proposal to mine bauxite and build an alumina refinery in Western Australia.
- BRL and Yankuang have agreed to include all current bauxite direct shipping (DSO) proposals as part of the detailed and binding agreements to be conducted on a 30% BRL / 70% Yankuang basis.
- Yankuang will also pay a further reimbursement of 70% of past expenditure for current DSO proposals; the extra amount is yet to be calculated and audited.
- Yankuang will make 70% of future expenditure for all DSO proposals and take 70% of the product.

Bauxite Resources Ltd (ASX:BAU) ("BRL" or "the Company") announces that in conjunction with its agreement to form a joint venture with Yankuang Resources ("**Yankuang**") to explore and mine bauxite and build an alumina refinery in Western Australia (ASX 25/01/2011), agreement has been reached on the reimbursement to BRL for previous exploration. Yankuang will reimburse BRL with \$6.1mi and pay 70% of the cost of all future exploration and mining for bauxite.

BRL has also agreed to now include current DSO proposals in the joint venture company; on a 30% BRL / 70% Yankuang basis. In exchange Yankuang will pay to BRL 70% of all past and future expenditure for the current DSO proposal for mining of 2 million tonnes each year. The amount of the extra reimbursement is now being calculated for external audit.

BRL has a cash balance of approximately \$47mi and assets (equipment and property) of \$10mi before reimbursement. The nett cash outflow including reimbursements for current plans for 2011 is expected to be approximately \$2mi.

ENDS

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