
BAUXITE RESOURCES LIMITED

ACN 119 699 982

NOTICE OF ANNUAL GENERAL MEETING

TIME: 10:00am (WST)

DATE: 25 November 2010

PLACE: Conference Room
Garden Office Park
355 Scarborough Beach Road

This Notice of Meeting should be read in its entirety. If Shareholders are in doubt as to how they should vote, they should seek advice from their professional advisers prior to voting.

Should you wish to discuss the matters in this Notice of Meeting please do not hesitate to contact the Company Secretary on (+61 8) 9200 6300.

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TIME AND PLACE OF MEETING AND HOW TO VOTE

VENUE

The annual general meeting of the Shareholders to which this Notice of Meeting relates will be held at 10am (WST) on 25 November 2010 at:

Conference Room
Garden Office Park
355 Scarborough Beach Road

YOUR VOTE IS IMPORTANT

The business of the Annual General Meeting affects your shareholding and your vote is important.

VOTING IN PERSON

To vote in person, attend the Annual General Meeting on the date and at the place set out above.

VOTING BY PROXY

To vote by proxy, please complete and sign the enclosed Proxy Form and return by:

- (a) post to Bauxite Resources Limited, PO Box 1800, Osborne Park, DC WA 6916; or
- (b) facsimile to the Company on facsimile number (+61 8) 9200 6399; or
- (c) email to the Company at pfromson@bauxiteresources.com.au

so that it is received not later than 10:00am (WST) on 23 November 2010.

Proxy Forms received later than this time will be invalid.

NOTICE OF ANNUAL GENERAL MEETING

Notice is given that the annual general meeting of Shareholders will be held at 10:00am (WST) on 25 November 2010 at the Conference Room, Garden Office Park, 355 Scarborough Beach Road.

The Explanatory Statement provides additional information on matters to be considered at the Annual General Meeting. The Explanatory Statement and the Proxy Form are part of this Notice of Meeting.

The Directors have determined pursuant to Regulation 7.11.37 of the Corporations Regulations 2001 (Cth) that the persons eligible to vote at the Annual General Meeting are those who are registered Shareholders at 10:00am (WST) on 23 November 2010.

Terms and abbreviations used in this Notice of Meeting are defined in the Glossary.

AGENDA

ORDINARY BUSINESS

Financial Statements and Reports

To receive and consider the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

1. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as a **non-binding resolution**:

“That, for the purpose of Section 250R(2) of the Corporations Act and for all other purposes, approval is given for the adoption of the remuneration report as contained in the Company's annual financial report for the financial year ended 30 June 2010.”

2. RESOLUTION 2 – RE-ELECTION OF DIRECTOR – MR BARRY CARBON

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Barry Carbon, a Director who was appointed on 16 November 2009, retires, and being eligible, is re-elected as a Director.”

3. **RESOLUTION 3 – RE-ELECTION OF DIRECTOR – MR YAN JITAI**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Yan Jitai, a Director who was appointed on 24 February 2010, retires, and being eligible, is re-elected as a Director.”

4. **RESOLUTION 4 – RE-ELECTION OF DIRECTOR – MR DING FENG**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.4 of the Constitution and for all other purposes, Mr Ding Feng, a Director who was appointed on 20 August 2010, retires, and being eligible, is re-elected as a Director.”

5. **RESOLUTION 5 – RE-ELECTION OF DIRECTOR – MR LUKE ATKINS**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Luke Atkins, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

6. **RESOLUTION 6 – RE-ELECTION OF DIRECTOR – MR NEIL LITHGOW**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purpose of clause 13.2 of the Constitution and for all other purposes, Mr Neil Lithgow, a Director, retires by rotation, and being eligible, is re-elected as a Director.”

7. **RESOLUTION 7 – DIRECTORS’ REMUNERATION**

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, for the purposes of clause 13.8 of the Constitution, ASX Listing Rule 10.17 and for all other purposes, Shareholders approve the maximum total aggregate fixed sum per annum to be paid to Directors be set at \$600,000 to be paid in accordance with the terms and conditions set out in the Explanatory Statement.”

Voting Exclusion: The Company will disregard any votes cast on this Resolution by a Director and any of their associates. However, the Company need not disregard a vote if it is cast by a person as a proxy for a person who is entitled to vote in accordance with the directions on the Proxy Form or it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with a direction on the Proxy Form to vote as the proxy decides.

8. RESOLUTION 8 – APPROVE OF FURTHER HEADS OF AGREEMENT

To consider and, if thought fit, to pass, with or without amendment, the following resolution as an **ordinary resolution**:

“That, Shareholders approve and authorise the Company to enter into a further heads of agreement with Yankuang Corporation to dispose of 70% of the alumina product located on the Tenements which is the Company’s main undertaking in accordance with the terms set out in the Explanatory Memorandum.”

DATED: 15 OCTOBER 2010

BY ORDER OF THE BOARD

A handwritten signature in black ink, appearing to read 'P Fromson', written in a cursive style.

MR PAUL FROMSON
COMPANY SECRETARY

EXPLANATORY STATEMENT

This Explanatory Statement has been prepared for the information of the Shareholders in connection with the business to be conducted at the Annual General Meeting to be held at 10:00am (WST) on 25 November 2010 at the Conference Room, Garden Office Park, 355 Scarborough Beach Road.

This purpose of this Explanatory Statement is to provide information which the Directors believe to be material to Shareholders in deciding whether or not to pass the Resolutions in the Notice of Meeting.

1. FINANCIAL STATEMENTS AND REPORTS

In accordance with the Constitution, the business of the Annual General Meeting will include receipt and consideration of the annual financial report of the Company for the financial year ended 30 June 2010 together with the declaration of the directors, the directors' report, the remuneration report and the auditor's report.

The Company will not provide a hard copy of the Company's annual financial report to Shareholders unless specifically requested to do so. The Company's annual financial report on its website at www.bauxiteresources.com.au.

2. RESOLUTION 1 – ADOPTION OF REMUNERATION REPORT

The Corporations Act requires that at a listed company's annual general meeting, a resolution that the remuneration report be adopted must be put to the shareholders. However, such a resolution is advisory only and does not bind the Directors or the Company.

The remuneration report sets out the Company's remuneration arrangements for the Directors and senior management of the Company. The remuneration report is part of the Directors' report contained in the annual financial report of the Company for the financial year ending 30 June 2010.

A reasonable opportunity will be provided for discussion of the remuneration report at the Annual General Meeting.

3. RESOLUTIONS 2 TO 4 – RE-ELECTION OF DIRECTORS – MR BARRY CARBON, MR YAN JITAI AND MR DING FENG

Clause 13.4 of the Constitution allows the Directors to appoint at any time a person to be a Director as an addition to the existing Directors, but only where the total number of Directors does not at any time exceed the maximum number specified by the Constitution.

Any Director so appointed holds office only until the next following annual general meeting and is then eligible for re-election.

Mr Barry Carbon, Mr Yan Jitai and Mr Ding Feng will retire in accordance with clause 13.4 of the Constitution and being eligible seeks re-election.

4. RESOLUTIONS 5 AND 6 – RE-ELECTION OF DIRECTORS – MR LUKE ATKINS AND MR NEIL LITHGOW

Clause 13.2 of the Constitution requires that at the Company's annual general meeting in every year, one-third of the Directors for the time being, or, if their

number is not a multiple of 3, then the number nearest one-third (rounded upwards in case of doubt), shall retire from office, provided always that no Director (except a Managing Director) shall hold office for a period in excess of 3 years, or until the third annual general meeting following his or her appointment, whichever is the longer, without submitting himself or herself for re-election.

The Directors to retire at an annual general meeting are those who have been longest in office since their last election, but, as between persons who became Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by drawing lots.

A Director who retires by rotation under clause 13.2 of the Constitution is eligible for re-election.

The Company currently has seven Directors and accordingly Mr Luke Atkins and Mr Neil Lithgow must retire.

Mr Luke Atkins and Mr Neil Lithgow, the Directors longest in office since their last election, retire by rotation and seek re-election.

5. RESOLUTION 7 – DIRECTORS’ REMUNERATION

Clause 13.7 of the Constitution requires that the total aggregate fixed sum per annum to be paid to the Directors (excluding salaries of executive Directors) from time to time will not exceed the sum determined by the Shareholders in general meeting and the total aggregate fixed sum will be divided between the Directors as the Directors shall determine and, in default of agreement between them, then in equal shares.

Resolution 7 seeks Shareholder approval to increase the total aggregate fixed sum per annum to be paid to the Directors to \$600,000. The total aggregate fixed sum includes some capacity to remunerate additional directors should the board decide to make additional appointments. Superannuation at the current statutory rate of 9% will also be paid on any directors fees and this will be in addition to the \$600,000.

The total aggregate fixed sum per annum has been determined after reviewing similar companies listed on ASX and a formal survey was obtained from a management consulting firm. The Directors believe that this level of remuneration is in line with corporate remuneration of similar companies.

6. RESOLUTION 8 – APPROVAL OF FURTHER HEADS OF AGREEMENT

6.1 Background

As announced to ASX on 8 January 2010, the Company entered into a heads of agreement with its long term partner, Yankuang Corporation (**Yankuang**) for the joint development and ownership of alumina refinery in the south west of Western Australia (**Heads of Agreement**).

As announced to ASX on 23 September 2010, BRL entered into a further heads of agreement with Yankuang, to complete a bankable feasibility study for the design and construction of a modern refinery in the southwest of Western Australia to refine Darling Range bauxite into alumina (**Further Heads of Agreement**). The Further Heads of Agreement is subject to Shareholder and regulatory approval, although the position of BRL and ASX is that this is technically not required.

Details of the Further Heads of Agreement are contained in BRL's ASX announcement dated 23rd September 2010 and the material terms and conditions of the Further Heads of Agreement are as follows:

- (a) **(Joint Ventures)**: the parties agree that they will form two joint ventures being the 'Bauxite Resource Joint Venture' and the 'Refinery Joint Venture' **(Joint Ventures)**.
- (b) **(Bauxite Resources Joint Venture and Refinery Joint Venture)**: the tenements the subject of the Bauxite Resource Joint Venture encompass all the tenements and tenement applications in the Darling Range of Western Australia held by BRL or its affiliate up to 15 July 2010 (other than the tenements and tenement applications covering 1,000km² area to be worked with HD Mining & Investment Pty Ltd an affiliated company of Shandong No.1 Institute of Geology & Minerals Exploration **(NO.1 Institute)**) **(Tenements)**.

Yankuang will fund 91% of the refinery's construction costs in return for receipt of 70% of the bauxite product located on the Tenements, with BRL owning/receiving rights to the remaining 30% of bauxite product on the Tenements. BRL will pay for the remaining 9% of construction costs and will receive assistance from Yankuang to arrange financing. BRL will be entitled to 30% of the alumina production from the proposed refinery and Yankuang will be entitled to 70%. Yankuang will also off-take half of BRL's share of alumina production upon terms to be agreed.

Any direct use of bauxite for non-refining purposes that is commenced within three (3) years will have an allocation split of 51% to BRL and 49% to Yankuang.

- (c) **(Tenement Exploration Costs)**: in addition, Yankuang has agreed to refund to BRL 70% of previous Tenement/exploration costs. Yankuang will also contribute 70% to the cost of future tenement/exploration costs.
- (d) **(Refinery Construction Not Commence)**: should refinery construction not commence within five (5) years, BRL will have the option to acquire back 21% of the bauxite rights to the Tenements at that time to restore BRL 51% and Yankuang 49% ownership of the Tenements. This option will be at cost plus 15% incurred by Yankuang in respect of that 21% interest.
- (e) **(Bankable Feasibility Study)**: a bankable feasibility study **(BFS)** will also be carried out alongside the strategy to design and build the alumina refinery. It is now proposed that leading design agencies and consultancies based in China and Australia will be utilised for the BFS. This BFS will require all the necessary approval processes with Yankuang contributing 90% to the cost and BRL contributing 10%.

6.2 Background to Yankuang

Established in 1976, Yankuang is a Chinese state-owned conglomerate with coal mining, coal-based chemicals, machinery manufacturing, electricity generation and aluminium as its main businesses.

Yankuang has total assets of 100 billion RMB (around AU\$16.6 billion). It owns or has controlling stakes in 37 subsidiaries with a staff of 93,000. Its Coal Mining Company (Yan Coal) is listed on New York, Hong Kong and Shanghai as of 1998. The annual output of coal is about 40 million tons.

The Electricity & Aluminium Company has 9 peat coal and coal-gangue fired power stations with a total installed generation capacity of 527MW and has thus established itself as the biggest power producer of its kind in China.

The smelter has an annual production capacity of 140,000 tons of aluminium and 100,000 tons of baked anode for aluminium purpose. A large aluminium extrusion project with the world largest (150MN) double-action forward extrusion press is under construction. Upon completion in May 2011, the fabrication plant is set to extrude 133,000 tons of aluminium and cast 14,500 tons of ingot. The finished products include high performance heavy section material for train carriage and high performance tubes and bars for other industrial uses.

6.3 Shareholder Approval

Resolution 8 seeks Shareholder approval pursuant to the Further Heads of Agreement, for the Company to complete the Further Heads of Agreement, under which it will dispose of 70% of the right to the bauxite on the Tenements in return for Yankuang designing and building a modern state of the art alumina refinery in the South West of Western Australia.

The information set out in this Resolution 8 is provided so that Shareholders can make an informed decision on how to vote on the Resolution.

6.4 Directors' recommendations

The Directors consider that the terms of the Further Heads of Agreement is fair and reasonable insofar as the Shareholders are concerned and the consideration received for the 70% rights to the bauxite from the Tenements is adequate. They recommend that Shareholders vote in favour of the Further Heads of Agreement by voting for Resolution 8.

7. ENQUIRIES

Shareholders are requested to contact the Company Secretary on (+ 61 8) 9200 6300 if they have any queries in respect of the matters set out in these documents.

GLOSSARY

\$ means Australian dollars.

Annual General Meeting or **Meeting** means the meeting convened by the Notice.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited.

ASX Listing Rules means the Listing Rules of ASX.

Board means the current board of directors of the Company.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day, and any other day that ASX declares is not a business day.

Company or **BRL** means Bauxite Resources Limited (ACN 119 699 982).

Constitution means the Company's constitution.

Corporations Act means the Corporations Act 2001 (Cth).

Directors means the current directors of the Company.

Explanatory Statement means the explanatory statement accompanying the Notice.

Notice or **Notice of Meeting** or **Notice of Annual General Meeting** means this notice of annual general meeting including the Explanatory Statement and the Proxy Form.

Proxy Form means the proxy form accompanying the Notice.

Resolutions means the resolutions set out in the Notice of Meeting, or any one of them, as the context requires.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

WST means Western Standard Time as observed in Perth, Western Australia.

PROXY FORM

**APPOINTMENT OF PROXY
BAUXITE RESOURCES LIMITED
ACN 119 699 982**

ANNUAL GENERAL MEETING

I/We
of

being a member of Bauxite Resources Limited entitled to attend and vote at the Annual General Meeting, hereby

Appoint
Name of proxy

OR the Chair of the Annual General Meeting as your proxy

or failing the person so named or, if no person is named, the Chair of the Annual General Meeting, or the Chair's nominee, to vote in accordance with the following directions, or, if no directions have been given, as the proxy sees fit, at the Annual General Meeting to be held at 10:00am (WST), on 25 November 2010 at the Conference Room, Garden Office Park, 355 Scarborough Beach Road, and at any adjournment thereof.

If no directions are given, the Chair will vote in favour of all the Resolutions.

If the Chair of the Annual General Meeting is appointed as your proxy, or may be appointed by default, and you do **not** wish to direct your proxy how to vote as your proxy in respect of **Resolution 7** please place a mark in this box.

By marking this box, you acknowledge that the Chair of the Annual General Meeting may exercise your proxy even if he has an interest in the outcome of Resolution 7 and that votes cast by the Chair of the Annual General Meeting for Resolution 7 other than as proxy holder will be disregarded because of that interest. If you do not mark this box, and you have not directed your proxy how to vote, the Chair will not cast your votes on Resolution 7 and your votes will not be counted in calculating the required majority if a poll is called on Resolution 7.

OR

Voting on Business of the Annual General Meeting

	FOR	AGAINST	ABSTAIN
Resolution 1 – Adoption of remuneration report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 – Re-election of Director – Mr Barry Carbon	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 – Re-election of Director – Mr Yan Jitai	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 – Re-election of Director – Mr Ding Feng	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Re-election of Director – Mr Luke Atkins	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 6 – Re-election of Director – Mr Neil Lithgow	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 7 – Directors' Remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 8 – Approval of Further Heads of Agreement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Please note: If you mark the abstain box for a particular Resolution, you are directing your proxy not to vote on that Resolution on a show of hands or on a poll and your votes will not be counted in computing the required majority on a poll.

If two proxies are being appointed, the proportion of voting rights this proxy represents is _____%

Signature of Member(s): _____ **Date:** _____

Individual or Member 1

Sole Director/Company Secretary

Member 2

Director

Member 3

Director/Company Secretary

Contact Name: _____ **Contact Ph (daytime):** _____

BAUXITE RESOURCES LIMITED
ACN 119 699 982

Instructions for Completing 'Appointment of Proxy' Form

1. **(Appointing a Proxy):** A member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on a poll on their behalf. The appointment of a second proxy must be done on a separate copy of the Proxy Form. Where more than one proxy is appointed, such proxy must be allocated a proportion of the member's voting rights. If a member appoints two proxies and the appointment does not specify this proportion, each proxy may exercise half the votes. A duly appointed proxy need not be a member of the Company.
2. **(Direction to Vote):** A member may direct a proxy how to vote by marking one of the boxes opposite each item of business. Where a box is not marked the proxy may vote as they choose. Where more than one box is marked on an item the vote will be invalid on that item.
3. **(Signing Instructions):**
 - **(Individual):** Where the holding is in one name, the member must sign.
 - **(Joint Holding):** Where the holding is in more than one name, all of the members should sign.
 - **(Power of Attorney):** If you have not already provided the Power of Attorney with the registry, please attach a certified photocopy of the Power of Attorney to this form when you return it.
 - **(Companies):** Where the company has a sole director who is also the sole company secretary, that person must sign. Where the company (pursuant to Section 204A of the Corporations Act) does not have a company secretary, a sole director can also sign alone. Otherwise, a director jointly with either another director or a company secretary must sign. Please sign in the appropriate place to indicate the office held.
4. **(Attending the Meeting):** Completion of a Proxy Form will not prevent individual members from attending the Annual General Meeting in person if they wish. Where a member completes and lodges a valid Proxy Form and attends the Annual General Meeting in person, then the proxy's authority to speak and vote for that member is suspended while the member is present at the Annual General Meeting.
5. **(Return of Proxy Form):** To vote by proxy, please complete and sign the enclosed Proxy Form and return by:
 - (a) post to Bauxite Resources Limited, PO Box 1800, Osborne Park, DC WA 6916; or
 - (b) facsimile to the Company on facsimile number (+61 8) 9200 6399; or
 - (c) email to the Company at pfromson@bauxiteresources.com.au

so that it is received not later than 10:00am (WST) on 23 November 2010.

Proxy forms received later than this time will be invalid.