

BAUXITE NEWS

RESOURCES



BAUXITE RESOURCES LIMITED ABN 72 119699 928

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Bauxite → Alumina → Aluminium the metal for the future

Western Australia's Darling Range is one of the world's leading bauxite and alumina producing regions.

This area produces 63% of Australia's alumina which comprises 17% of the world's total production.

The West Australian bauxite/alumina resource contributes significantly to the local economy, valued at \$4.6 billion in 2006, with a growth during that year of 25%. The consumption for our resource grows as our major markets China

20.5%, Bahrain 15.4% and South Africa 14.7% all experience their own economic growth booms.

China for example had a 47% increase in consumption of aluminium during the first quarter of 2007, and global demand is predicted to almost double by 2020. The consumption in Asia over the next 15 years will grow to equal that of the entire world today.

Bauxite, although considered the 'stored energy' resource because of its huge

power needs to extract alumina and then refine aluminium; produces one of the most recyclable metals in the world.

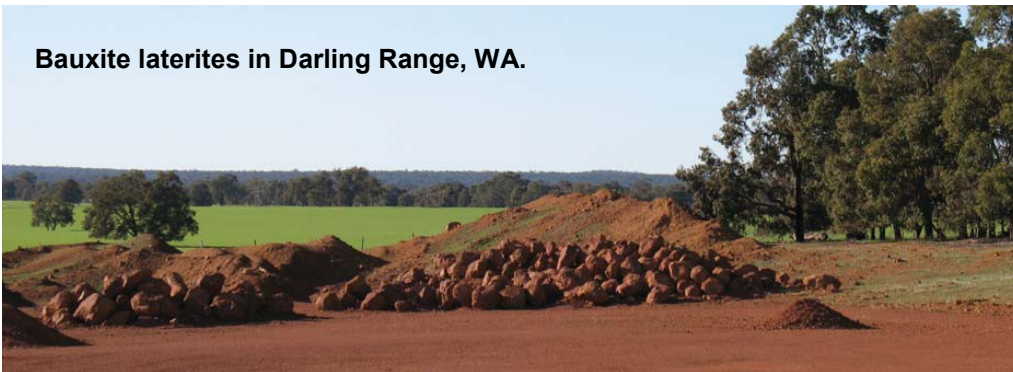
Aluminium is *endlessly* recyclable; saving 95% of the energy needed to make new metal.

With this in mind and the fact that new developments in refining and smelting technologies create less of an environmental impact, all make Aluminium a prime candidate for *the* metal for the future.

Important facts:

- BAUXITE/ALUMINA IS WA'S 4TH MOST IMPORTANT RESOURCE IN TERMS OF VALUE
- VALUE OF WA ALUMINA 2006 = \$4.6 BILLION
- AUSTRALIAN PRODUCTION IN 2006 GREW BY 25%
- WA ALUMINA SHIPPED IN 2006 - 11.6 MT

Bauxite laterites in Darling Range, WA.



WorleyParsons Commence Initial Scoping Study



Have been appointed to undertake Bauxite Resources initial Scoping Study on the Company's highly prospective Muchea and South Darling Range bauxite projects in WA, a precursor to commence-

ment of a pre-feasibility study.

The scoping study will examine and review historical data from Bauxite Resources extensive land holdings in WA's Darling Ranges, a region recognised as a world leader in alumina production.

Mr Luke Atkins, Executive Chairman of Bauxite Resources, said the appointment of a Lead Study Manager to undertake the initial scoping study was the first step for the Company in its progression towards establishing a viable bauxite producing operation in WA: (Continues page 3)

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AS SEEN IN THE PRESS

Herald Sun

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Bauxite picks Bleakley

BAUXITE Resources has secured geologist and exploration executive Peter Bleakley as chief exploration manager. Most recently he was exploration manager at Gindalbie Metals responsible for the discovery and delivery of the 1.43 billion tonne Karara iron ore project.

The Australian
26/11/2007

Reporter

Robin Bromby

'Bauxite another Fortescue'

Bromby reports that Bauxite Resources might have done a Fortescue – "that is slipped through the cracks and under the noses of the majors, into a very large resource."

"As Andrew Forest and FMG picked up swathes of iron ore ground in the Pilbara which the big players had known about for years, so McSweeney feels that has been replicated at Muchoa with bauxite."



NEWS

Bauxite Resources appoints Chief Exploration Manager

Mr Peter Bleakley, experienced Geologist and exploration executive, joins Bauxite Resources Limited as Chief Exploration Manager.

The appointment bolsters Bauxite's Senior Management team, which will benefit from Mr Bleakley's extensive experience in helping to identify and develop a strategy for the environmentally sustainable extraction of bauxite, initially from its North Darling (Muchoa) project, in Perth's Darling Ranges.

Commenting on the appointment, Bauxite Resources' Executive Chairman, Luke Atkins, said the Company was very pleased to have secured the services of someone of Mr Bleakley's calibre, especially given the strong current demand for experienced geologists:

"To be able to attract someone of Peter's background and experience is testament to the quality of our landholdings, which was a major factor in his deci-

sion to join the team at Bauxite," he said. "Peter comes to us with a proven track record at Gindalbie, where he played an important role in the delineation of the world-class Karara iron ore Project."

"We're confident that his broad knowledge of project development will be invaluable to Bauxite Resources as we move to establish ourselves as a sustainable bauxite producer," said Mr Atkins.



The Beginnings of WA's Bauxite Industry

Edward S Simpson, a government metallurgist, is credited as the first to recognise the existence and possible importance of bauxite in the Darling Range. Simpson published a booklet, *Minerals of Economic Value*, in 1905 that describes the presence of bauxite all through the Darling Range.

He noted that 'workable deposits' of bauxite existed, but in fact at that time it had little economic value and was used for road building all through Perth.

It wasn't until the 1920s that the importance of bauxite emerged. Aluminium, its metal derivative was light yet strong and its increasing use in industrial processes, especially the flying machines, made aluminium 'the metal of the aviation era' according to

Professor Geoffrey Blainey, author of *White Gold – The Story of Alcoa of Australia*.

As the use of alloys in industrial processes developed, aluminium gained importance. Its use improved quality and purity as an additive or reagent in metallurgical processes.

At around this same time, the late 1940s and early 1950s, large deposits of bauxite were discovered in the tropics and it was these finds that were developed (being close to the North Atlantic nations that refined the ore).

Aluminium production only started in Australia in 1955 with the Bell Bay smelter near Launceston in Tasmania with bauxite coming from Malaya.

As the importance of aluminium and hence bauxite grew, the Darling Range

came under the scrutiny of Western Mining Corporation's Chairman, Lindsay Clark. He was the driving force behind the chiefly gold mining company; a metallurgist by training, Clark realised the benefits of an energetic geological team. It was under his stewardship that Western Mining's chief geologist Don Campbell began the systematic appraisal of the Darling Range bauxite deposits.

On a shoe-string budget and with little fanfare, Western Mining's first delivery of Darling Range bauxite ore went to Bell Bay refinery in January 1960.

The first export of Darling Range bauxite, 9891 tons, left Fremantle in July 1960 for Japan.

(To be continued next issue)

Initial Scoping Study Commences (continues from page 1)

WorleyParsons

“The appointment of WorleyParsons and the commencement of the initial scoping study is an important milestone for the Company, coming just months after our successful ASX listing last year,” said Mr Atkins

“WorleyParsons has a depth of experience in all aspects of the bauxite and alumina industries and has been instrumental in the development and expansion of several large-scale bauxite and alumina

operations in WA, including the refinery near Collie,” he added.

WorleyParsons is a leading provider of professional services to the energy, resources and complex processing industries.

The group provides services for the full spectrum of a project’s life from, concept selection to front-end and detailed design on behalf of a blue chip customer base.

The appointment is the first of several major steps for Bauxite as it embarks on its

strategy of developing a sustainable bauxite export business in Western Australia and assessing the potential resources within its extensive ground holdings for the establishment of an alumina refinery.

“THE APPOINTMENT OF WORLEYPARSONS AND THE COMMENCEMENT OF THE INITIAL SCOPING STUDY IS AN IMPORTANT MILESTONE FOR THE COMPANY”

Indian Bauxite Rises 30%, Double Last Year’s Gain, on China Demand

Source Bloomberg 20 Feb 2008

Bauxite prices in India have risen by 30% since January, twice as much as last year and on rising demand from China plus dwindling exports from Indonesia.

India’s largest bauxite exporter Ashapura Minechem Ltd report that their entire production of 10 million tons planned for 2008 has already been

sold.

Bloomberg further reported that the 18% price rise in aluminium is a supply/demand problem caused by increased globally demand for aluminium against reduced supply from China and South Africa. (Both countries currently experiencing power supply disruptions.)

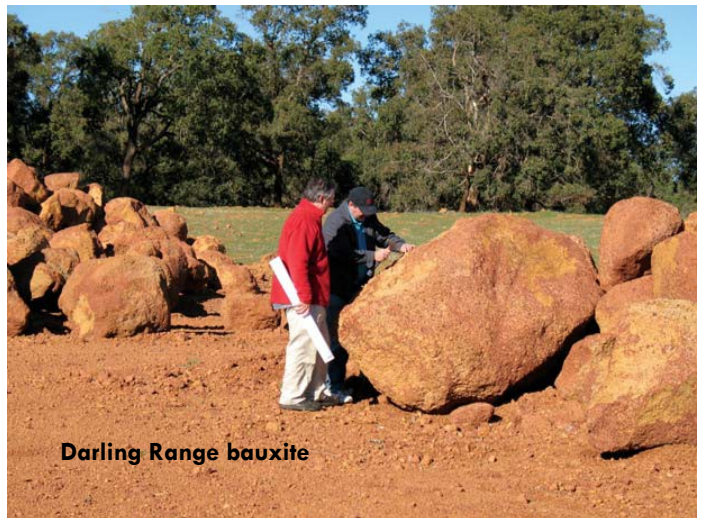
David McSweeney comes on board

Mr David McSweeney joined Bauxite Resources in November 2007.

David is a 3rd generation mine developer with over 20 years experience in the resource sector. He was founding Managing Director of successful resources group, Gindalbie Metals Ltd – where he oversaw two successful gold mine developments and the Company’s repositioning as

an iron ore company – and a founding director of Queensland copper group, Exco Resources Ltd.

David brings a depth of expertise in the international mining and resources industry to the Bauxite Board, including experience in the development of bulk commodity projects, infrastructure and a wide-ranging contact network across Australasia.



Darling Range bauxite

Bauxite supply in China hits problems

Bauxite delivery for alumina plants in China remain problematic as supply from Indonesia tightens. The Indonesian government is cracking down on illegal mines, restricting production in the Bintan area.

In the past this has allowed the highly priced Indian bauxite suppliers to step in and profit. The Chinese now face increase costs for bauxite as well as rising increases bulk ore transport costs.

With the recent clean-up on polluting industries in the Guizhou and Shanxi provinces, bauxite kilns producing calcined bauxite for the refractory and abrasive industries have been closed down.

World consumption of aluminium increased by 7.9% in 2006, China’s consumption increasing by 22.6%.

(Source CRU Report Jan 2008)



Mr David McSweeney



Bauxite ► Alumina ► Aluminium the metal for the future

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Bauxite Resources Limited 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 A\$7.5 million IPO early and oversubscribed.

The Company is looking to establish itself in the bauxite and alumina industries in Western Australia and is the only ASX-listed junior explorer in the highly prospective Darling Range. This area 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 30 tenements in the three project areas of Muchea, South Darling Range and Kimberley and is primarily focused on defining a sustainable, economic bauxite resource through an intensive exploration program to be undertaken in 2008/9. It will then 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.

For more information please visit our website at www.bauxiteresources.com.au
Or contact us at bauxiteresources@bigpond.com

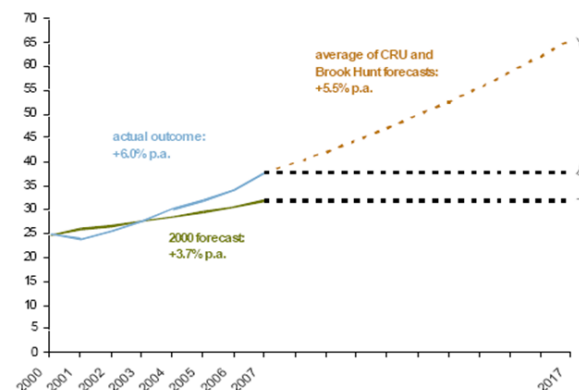
What the forecasters say:

Source Primary Aluminium & Alumina Monthly – 21 January 2008

“Metals Bulletin Research believes that in the short term the strong metal production in China will be sufficient to keep the alumina market tight through the first quarter of 2008, with spot alumina prices high but easing back slightly from their current levels. Beyond the first quarter, however, the slowing of metal demand and the build-up of alumina production will turn the tide and cause spot prices to fall back. The extent of the fall will be limited by the high production costs for the alumina industry, unless a world economic slowdown causes the price of oil to fall sharply.”

Future needs for bauxite: Source CRU Analysis The Market Outlook for Alumina 2007

Aluminium demand
million tonnes



Source: CRU, Brook Hunt, Rio Tinto.

= need for additional
130 million tons of bauxite

= 30 million ton bauxite

“Alumina demand is expected to show steady growth over the period at an average annual rate of close to 4.7% from 2007 to 2012.

This expected level of growth would be largely supported by increased demand from China, Russia and new smelting capacity at Western world smelters.”