



# **BAUXITE** RESOURCES LIMITED

**Bauxite Resources Limited ABN 72 119 699 982  
and Controlled Entities**

**Interim Financial Report  
for the half-year ended 31 December 2012**

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 2012 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 ABN 72 119 699 982  
and Controlled Entities**

**Interim Financial Report for the half year ended 31 December 2012**

**DIRECTORS' REPORT**

Your directors submit the financial report of the consolidated group for the half-year ended 31 December 2012.

**DIRECTORS**

The names of directors who held office during or since the end of the half-year:

Mr Barry Carbon AM	Mr Yan Jitai
Mr Scott Donaldson (resigned 18 November 2012)	Mr Neil Lithgow
Mr Luke Atkins	Mr Robert Nash
Mr Ding Feng	Mr John Sibly

**REVIEW OF OPERATIONS**

**Business Direction and Board Strategy**

During the half year ended 31 December 2012 the Company continued to advance towards its strategic objective of proving the business case for the construction and operation of a modern alumina refinery with its joint venture partner Yankuang Resources Ltd (a wholly owned subsidiary of the A\$16Bn Yankuang Group Corporation (collectively "Yankuang").

Together, the companies formed the Bauxite Alumina Joint Ventures ("BAJV") which manages the exploration and refinery project on behalf of the two shareholders. This company is overseen by a Board of Directors that consists of three Yankuang and three Bauxite Resources Ltd (BRL) representatives.

The refinery joint venture provides BRL with the opportunity to participate in a business that would normally not be available due to the high capital cost entry barriers. The agreement with Yankuang offers the following important terms;

- BRL and Yankuang will jointly complete a feasibility study into the viability of constructing and operating a modern alumina refinery to be underpinned by a geological resource of not less than 90 million tonnes of refinery grade bauxite.
- The costs of the feasibility study are to be borne 90% by Yankuang and 10% by BRL whilst the cost of the resource exploration and definition activity is 70% Yankuang and 30% BRL.
- Subject to the feasibility results, BRL & Yankuang will design and build a modern refinery of not less than 1.1 million tonnes per annum capacity in the southwest of Western Australia. Yankuang will finance 91% of the construction cost and BRL 9%.
- BRL and Yankuang would operate the refinery with BRL receiving 30% of the product and Yankuang 70%.
- Yankuang has also agreed to off-take 50% of BRL's share of the alumina for a period of 10 years at a price to be agreed and to assist BRL in obtaining its 9% of the construction funding.

In parallel with the refinery joint venture, the Company also continues to progress the definition of additional bauxite resources through its joint venture with HD Mining & Investment Pty Ltd ("HD Mining"). HD Mining is a wholly owned subsidiary of the Shandong No1 Institute for Prospecting of Geology and Minerals ("Shandong"). This bauxite joint venture agreement covers 1,000km<sup>2</sup> of selected tenements in the Darling Range, Western Australia. Shandong is responsible for 100% of exploration costs and will have the rights to 60% of all bauxite resources within this area, once a decision is made to commence mining.

**Bauxite Resources Limited ABN 72 119 699 982  
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**Interim Financial Report for the half year ended 31 December 2012**

**DIRECTORS' REPORT**

Bauxite resources for the group as at 31 December 2012 total of 142.3Mt <sup>(1)</sup>

	Size Mt	Al <sub>2</sub> O <sub>3</sub> (total) %	Al <sub>2</sub> O <sub>3</sub> (available) %	SiO <sub>2</sub> (reactive) %
<b>Total Indicated</b>	<b>32.5</b>	<b>40.6</b>	<b>31.2</b>	<b>2.1</b>
<b>Total Inferred</b>	<b>109.8</b>	<b>39.9</b>	<b>30.1</b>	<b>2.9</b>
<b>WA TOTAL Bauxite</b>	<b>142.3</b>	<b>40.1</b>	<b>30.3</b>	<b>2.7</b>
<b>Attributable to BRL #</b>				
<b>BAJV</b>	34.1	39.8	30.3	2.5
<b>HDMJV</b>	28.7	41.0	30.5	3.6
<b>Total</b>	<b>62.8</b>	<b>40.3</b>	<b>30.4</b>	<b>3.0</b>

# At time of report BRL retains 30% beneficial interest in BAJV resources. HD Mining (HDMJV) can earn up to 60% of bauxite rights upon completion of certain milestones including a BFS leading to a decision to mine.

The Company has recently started exploration on the its Fortuna project where it retains a 100% interest in the bauxite rights. Drilling is currently underway, and initial results will be available in the March quarter.

The BAJV is currently undertaking an extensional drilling programme designed to define additional JORC bauxite resources above the 73.3M tonne (indicated and inferred resource) announced in June 2012 at the Felicitas Project. It is also planned to gain samples for density determination, assist resource modelling and define both a bauxite refinery grade resource and a direct shipping bauxite option.

During the December half, the Company completed the year with cash balance of over \$45 million in hand and no bank debt. This strong financial position will allow the Company to confidently pursue its strategic objectives over the next two years.

The Directors recognise that 2013 is likely to provide a number of additional business opportunities due to the combination of the strong Australian dollar, European financial uncertainty and cyclical nature of the global metal markets. The Company remains well positioned to take up any opportunities that may arise where the Directors are satisfied that these will be value accretive for shareholders.

The Company completed its "Other Minerals Review" during the period and has identified a number of areas prospective for gold, coal and iron ore, and will seek interest from potential joint venture partners to undertake exploration or divest the other non-bauxite mineral properties.

**Board and Management Changes**

In December 2012 the Chief Executive Officer Scott Donaldson stepped down after two years in the position. Sam Middlemas has been appointed Acting Chief Executive Officer until May 2013 when Peter Canterbury will join the board in this role from his current position with Sundance Resources Limited.

The BAJV appointed Bill Moss as General Manager in October 2012. Mr Moss is a highly credentialed executive with significant Australian and International experience in the bauxite/alumina sphere and was until recently the Project Director of the world's largest bauxite – aluminium complex development at Ma'aden, Saudi Arabia.

Bauxite Resources Limited ABN 72 119 699 982  
and Controlled Entities

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**DIRECTORS' REPORT**

**AUDITOR'S DECLARATION**

The lead auditor's independence declaration under s 307C of the *Corporations Act 2001* is set out on page 4 for the half-year ended 31 December 2012.

This report is signed in accordance with a resolution of the Board of Directors.



Barry Carbon AM

Chairman

Dated this 14<sup>th</sup> day of March 2013

<sup>(1)</sup> **JORC Compliant Resource Statements**

The following are Joint Ore Reserve Code (JORC) compliant Public Reports released to the ASX declaring the JORC resources referred to. These can be viewed on both the ASX and the Company websites, free of charge.

02/05/2011	Aurora, Rusina: Progress Report - Resource Upgrade, 15.1 million tonnes
21/06/2011	Vallonia, Juturna: Progress Report - Resource Upgrade, 9.7 million tonnes
22/08/2011	Cardea 1&2, Minerva: Resource Upgrade, 8.6 million tonnes
02/11/2011	Cardea3: Resource Update, 17.8 million tonnes
05/06/2012	Felicitas: 73Mt New Bauxite Resource at Felicitas Deposit, 73.3 million tonnes
30/07/2012	Ceres: New Bauxite Resource at Williams Project Western Australia, 15.0 million tonnes
29/10/2012	Cronus: September 2012 Quarterly Report to Shareholders, 2.8 million tonnes

**COMPETENT PERSON STATEMENT**

***Cardea 1&2, Juturna, Vallonia, Minerva, Rusina and Vallonia Mineral Resources***

*The information in this report that relates to Mineral Resources is based on information compiled by Peter Senini who is a Member of the Australian Institute of Geoscientists. Mr Senini is a consultant to the company. Mr Senini 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 Senini consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

***Felicitas, Cardea3, Aurora, Ceres, Cronus and Fortuna Mineral Resources***

*The information in this report that relates to Mineral Resources is based on information compiled by Graham de la Mare who is a Member of the Australian Institute of Geoscientists. Mr de la Mare is employed by RPM Global. Mr de la Mare 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 de la Mare consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*

Bauxite Resources Limited ABN 72 119 699 982  
and Controlled Entities

Interim Financial Report for the half year ended 31 December 2012

**MOORE STEPHENS**  
ACCOUNTANTS & ADVISORS

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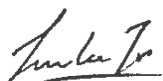
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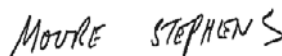
**AUDITOR'S INDEPENDENCE DECLARATION UNDER  
S307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF BAUXITE RESOURCES  
LIMITED**

As lead auditor for the review of Bauxite Resources Limited for the half-year ended 31 December 2012, I declare that, to the best of my knowledge and belief, there have been:

- no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- no contraventions of any applicable code of professional conduct in relation to the review.



**Suan-Lee Tan**  
Partner



**Moore Stephens**  
Chartered Accountants

Signed at Perth this 14<sup>th</sup> day of March 2013

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**Bauxite Resources Limited ABN 72 119 699 982  
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**Interim Financial Report for the half year ended 31 December 2012**

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE HALF-YEAR  
ENDED 31 DECEMBER 2012**

	Note	Consolidated Group	
		31.12.2012	31.12.2011
		\$	\$
<b>Revenue</b>			
Interest income		1,168,971	1,517,506
Recoupment of exploration cost		138,361	617,239
Other Income		213,747	547,585
Cost of sales		-	(403,872)
Employee benefits expense		(1,521,609)	(1,619,358)
Exploration written off		(1,790,332)	(2,636,490)
Bankable feasibility and other studies		(42,555)	(121,384)
Administration expenses		(786,331)	(263,398)
Depreciation and amortisation expense		(375,715)	(521,163)
Profit / (loss) on sale of fixed assets		(7,112)	(55,643)
Share based payments expense		-	(216,710)
<b>Profit before income tax</b>		<b>(3,002,574)</b>	<b>(3,155,688)</b>
Income tax refund/(expense)		514,138	-
<b>Profit from continuing operations</b>		<b>(2,488,436)</b>	<b>(3,155,688)</b>
(Loss)/Profit from discontinued operations		-	-
<b>Profit for the period</b>	2	<b>(2,488,436)</b>	<b>(3,155,688)</b>
Profit/(Loss) attributable to:			
Members of the parent entity		(2,488,436)	(3,155,688)
Non-controlling interest		-	-
		<b>(2,488,436)</b>	<b>(3,155,688)</b>
<b>Other comprehensive income</b>			
Other comprehensive income for the period, net of tax		-	-
<b>Total comprehensive income for the period</b>		<b>(2,488,436)</b>	<b>(3,155,688)</b>
Total profit/(Loss) and other 'comprehensive income attributable to:			
Members of the parent entity		(2,488,436)	(3,155,688)
Non-controlling interest		-	-
		<b>(2,488,436)</b>	<b>(3,155,688)</b>
<b>Earnings per share</b>			
From continuing and discontinued operations:			
Basic earnings per share (cents)		(1.06)	(1.34)
Diluted earnings per share (cents)		(1.06)	(1.34)

The accompanying notes form part of this financial report.

**Bauxite Resources Limited ABN 72 119 699 982  
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**Interim Financial Report for the half year ended 31 December 2012**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2012**

	<b>Consolidated Group</b>	
	<b>31.12.2012</b>	<b>30.06.2012</b>
	<b>\$</b>	<b>\$</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	<b>45,373,833</b>	48,031,090
Trade and other receivables	<b>1,884,656</b>	1,685,380
Inventories	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>47,258,489</b>	49,716,470
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>7,199,774</b>	7,505,259
Intangible assets	-	-
Other financial assets	<b>726,373</b>	703,643
<b>TOTAL NON-CURRENT ASSETS</b>	<b>7,926,147</b>	8,208,903
<b>TOTAL ASSETS</b>	<b>55,184,636</b>	57,925,373
<b>CURRENT LIABILITIES</b>		
Trade and other payables	<b>401,922</b>	622,035
Short-term provisions	<b>60,839</b>	93,027
<b>TOTAL CURRENT LIABILITIES</b>	<b>462,761</b>	715,062
<b>TOTAL LIABILITIES</b>	<b>462,761</b>	715,062
<b>NET ASSETS</b>	<b>54,721,875</b>	57,210,311
<b>EQUITY</b>		
Issued capital	<b>88,111,698</b>	88,111,698
Reserves	<b>983,691</b>	983,691
Retained earnings	<b>(34,373,514)</b>	(31,885,078)
<b>TOTAL EQUITY</b>	<b>54,721,875</b>	57,210,311

The accompanying notes form part of this financial report.

**Bauxite Resources Limited ABN 72 119 699 982  
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**Interim Financial Report for the half year ended 31 December 2012**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY AS AT 31 DECEMBER 2012**

Note	Issued Capital Ordinary \$	Option Reserve \$	Retained Earnings \$	Total \$
<b>Balance at 1.7.2011</b>	88,111,698	2,757,393	(27,159,987)	63,709,103
<b>Comprehensive Income</b>				
Profit/(loss) for Period	-	-	(3,155,688)	(3,155,688)
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	(3,155,688)	(3,155,688)
Shares issued during the period	-	-	-	-
Transaction costs associated with share issue	-	-	-	-
Employee share options issued during the period	-	216,710	-	216,710
<b>Balance at 31.12.2011</b>	88,111,698	2,974,102	(30,315,675)	60,770,126
<b>Balance at 1.7.2012</b>	88,111,698	983,691	(31,885,078)	57,210,311
<b>Comprehensive Income</b>				
Profit/(loss) for period	-	-	(2,488,436)	(2,488,436)
Other comprehensive income for period	-	-	-	-
Total comprehensive income for the period	-	-	(2,488,436)	(2,488,436)
Shares issued during the period	-	-	-	-
Transaction costs associated with share issue	-	-	-	-
Employee share options issued during the period	-	-	-	-
<b>Balance at 31.12.2012</b>	<b>88,111,698</b>	<b>983,691</b>	<b>(34,373,514)</b>	<b>54,721,875</b>

The accompanying notes form part of this financial report



**Bauxite Resources Limited ABN 72 119 699 982  
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**Interim Financial Report for the half year ended 31 December 2012**

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

	<b>Consolidated Group</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	189,700	1,675,786
Payments to suppliers and employees	(2,643,841)	(3,634,089)
Payments for exploration expenditure	(1,651,970)	(2,218,369)
Interest received	1,034,787	1,307,463
Income tax refunded	514,138	-
Net cash (used in)/provided by operating activities	(2,557,186)	(2,869,209)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from sale of property, plant and equipment	22,850	549,027
Purchase of property, plant and equipment	(100,192)	(122,116)
Payment for other financial assets	(22,729)	(24,350)
Expenditure on mining improvements	-	(26,003)
Net cash used in investing activities	(100,071)	376,557
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares	-	-
Net cash used in/(provided by) financing activities	-	-
Net increase (decrease) in cash held	(2,657,257)	(2,492,652)
Cash and cash equivalents at beginning of period	48,031,090	53,126,585
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>45,373,833</b>	<b>50,633,934</b>

The accompanying notes form part of this financial report

**Bauxite Resources Limited ABN 72 119 699 982  
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**Interim Financial Report for the half year ended 31 December 2012**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE HALF-YEAR ENDED 31 DECEMBER 2012**

**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF PREPARATION**

These general purpose financial statements for the interim half-year reporting period ended 31 December 2012 have been prepared in accordance with requirements of the *Corporations Act 2001* and Australian Accounting Standards including AASB 134: Interim Financial Reporting. Compliance with Australian Accounting Standards ensures that the financial statements and notes also comply with International Financial Reporting Standards.

This interim financial report is intended to provide users with an update on the latest annual financial statements of Bauxite Resources Limited and its controlled entities (the Group). As such, it does not contain information that represents relatively insignificant changes occurring during the half-year within the Group. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2012, together with any public announcements made during the half-year.

**ACCOUNTING POLICIES**

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements, except in relation to the matters discussed below.

**CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS**

The critical estimates and judgments are consistent with those applied and disclosed in the June 2012 annual report.

**NEW AND REVISED ACCOUNTING REQUIREMENTS APPLICABLE TO THE CURRENT HALF-YEAR REPORTING PERIOD**

*Presentation of Items of Other Comprehensive Income*

The Group adopted AASB 2011–9: Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income on 1 July 2012. AASB 2011–9 is mandatorily applicable from 1 July 2012 and amends AASB 101: Presentation of Financial Statements.

AASB 2011–9 amends the presentation requirements of other comprehensive income. It requires items of other comprehensive income to be grouped between:

- items that will not be reclassified subsequently to profit or loss; and
- those that will be reclassified subsequently to profit or loss when specific circumstances occur.

It also requires, when items of other comprehensive income are presented before the related tax effects with a single amount shown for the aggregate amount of income tax relating to those items, the amount of tax effect to be allocated between:

- items that will not be reclassified subsequently to profit or loss; and
- those that might be reclassified subsequently to profit or loss.

AASB 2011–9 also amends AASB 101 to change the title “income statement” to “statement of profit or loss” under the two-statement approach. Although other titles are also permitted, the Group has decided to use the title “statement of profit or loss”.

The adoption of AASB 2011–9 only changed the presentation of the Group’s financial statements and did not have any impact on the amounts reported for the current period or for any prior period in the Group’s financial statements.

**Bauxite Resources Limited ABN 72 119 699 982  
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**Interim Financial Report for the half year ended 31 December 2012**

**NOTE 2: OPERATING SEGMENTS**

**(i) Segment performance**

	Exploration	Operations	BFS & other studies	Administration & other	Total
	\$	\$	\$	\$	\$
<b>Six months ended 31 December 2012</b>					
<b>Revenue</b>					
Recoupment of exploration costs	138,361	-	-	-	138,361
Other income	-	-	-	213,747	213,747
Interest revenue	-	-	-	1,168,971	1,168,971
<b>Total segment revenue</b>	<b>138,361</b>	<b>-</b>	<b>-</b>	<b>1,382,718</b>	<b>1,521,079</b>
<b>Segment net loss before tax</b>	<b>(1,651,970)</b>	<b>-</b>	<b>-</b>	<b>(974,889)</b>	<b>(2,626,859)</b>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>					
Amounts not included in segment result but reviewed by the Board:					
— depreciation and amortisation					(375,715)
Net loss before tax from continuing operations					(3,002,574)
<b>Six months ended 31 December 2011</b>					
<b>Revenue</b>					
Recoupment of exploration costs	617,239	-	-	-	617,239
Other income	-	-	-	547,585	547,585
Interest revenue	-	-	-	1,517,506	1,517,506
<b>Total segment revenue</b>	<b>617,239</b>	<b>-</b>	<b>-</b>	<b>2,065,091</b>	<b>2,682,330</b>
<b>Segment net profit before tax</b>	<b>(2,019,251)</b>	<b>-</b>	<b>-</b>	<b>(615,274)</b>	<b>(2,634,525)</b>
<i>Reconciliation of segment result to group net profit/(loss) before tax</i>					
Amounts not included in segment result but reviewed by the Board:					
— depreciation and amortisation					(521,163)
Net profit before tax from continuing operations					(3,155,688)

Bauxite Resources Limited ABN 72 119 699 982  
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Interim Financial Report for the half year ended 31 December 2012

(ii) Segment assets

	Exploration	Operations	BFS & other studies	Administration & other	Total
	\$	\$	\$	\$	\$
Opening balance 1 July 2012	1,745,570	-	-	56,179,803	57,925,373
Closing balance 31 December 2012	<b>1,502,730</b>	-	-	<b>53,681,906</b>	<b>55,184,636</b>

**NOTE 3: CONTINGENT LIABILITIES**

There have been no changes to contingent liabilities since the report for the period ended 30 June 2012.

**NOTE 4: EVENTS SUBSEQUENT TO REPORTING DATE**

There has not been any other event that has arisen since 31 December 2012 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 ABN 72 119 699 982  
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**Interim Financial Report for the half year ended 31 December 2012**

**DIRECTORS' DECLARATION**

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 4 to 11 are in accordance with the *Corporations Act 2001*, including:
  - a. complying with Accounting Standard AASB 134: Interim Financial Reporting; and
  - b. giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 and of its performance for the half-year ended on that date.
2. In the directors' opinion there are reasonable grounds to believe that the company 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 Board of Directors.

A handwritten signature in black ink, appearing to read 'Barry Carbon', is positioned above the printed name and title.

Barry Carbon AM  
Chairman

Dated this 14<sup>th</sup> day of March 2013

Bauxite Resources Limited ABN 72 119 699 982  
and Controlled Entities

Interim Financial Report for the half year ended 31 December 2012

**MOORE STEPHENS**  
ACCOUNTANTS & ADVISORS

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**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF  
BAUXITE RESOURCES LIMITED AND ITS CONTROLLED ENTITIES**

**Report on the Half-year Financial Report**

We have reviewed the accompanying half-year financial report of Bauxite Resources Limited which comprises the consolidated condensed statement of financial position as at 31 December 2012, the consolidated condensed statement of profit or loss and other comprehensive income, consolidated condensed statement of changes in equity, the consolidated condensed statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration.

*Directors' Responsibility for the Half-Year Financial Report*

The directors of Bauxite Resources Limited are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

*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 a 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 half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of Bauxite Resources Limited's financial position as at 31 December 2012 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 annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for 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 complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the Corporations Act, which has been given to the directors of Bauxite Resources Limited, would be in the same terms if provided to the directors as at the time of this auditor's review report.

**Bauxite Resources Limited ABN 72 119 699 982  
and Controlled Entities**

**Interim Financial Report for the half year ended 31 December 2012**

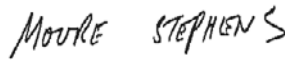
*Conclusion*

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 is not in accordance with the *Corporations Act 2001* including:

- (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2012 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.



**Suan-Lee Tan  
Partner**



**Moore Stephens  
Chartered Accountants**

Signed at Perth this 14<sup>th</sup> day of March 2013