

NOTIFICATION OF POTENTIAL LEGAL ACTION

Further to the Bauxite Resources Limited (**Company**) announcements in June & July 2010 in respect to IMF's proposal to fund legal action against the Company, the Company received a proposed claim yesterday which alleges that the Company engaged in misleading and deceptive conduct in September 2009.

The proposed claim is on behalf of investors who acquired 20 million shares in the Company in the share placement which occurred in October 2009.

The loss claimed is not specified, but is alleged to be the difference between the price at which the shares were acquired (95 cents per share) and:

1. the price at which those shares were sold; or
2. the market price of shares not yet sold at the time of any judgment by a court.

Consistent with the Company's previous announcements concerning these allegations, the Company intends to defend any legal proceedings in the event any proceedings are commenced.

The Company has taken the precaution of temporarily suspending the share buy-back and will update the market further should it be served with any formal claim.

DATE: 27 September 2013

ASX Code: BAU

BAUXITE RESOURCES LTD

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Non Executive Chairman

Peter Canterbury

CEO & Executive Director

Luke Atkins

Non Executive Director

Yang Chenghai

Non Executive Director

Neil Lithgow

Non Executive Director

Zhan Qingwei

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