BAUXITE RESOURCES LIMITED

RESOURCE UPGRADE AT 100% OWNED 40MT FORTUNA DEPOSIT DELIVERS HIGHER GRADES

Highlights:

- **Resource update has delivered higher low temperature available alumina levels at its 100% owned Darling Range deposit**
- **BRL 100% Fortuna resource now stands at: 40.2Mt @ 32.1% low temp available alumina (38.8% total) and 1.8% reactive silica (5.6% total)**
- **Includes Indicated Resource of 6.3Mt @ 34.0% available alumina (40.2% total), 1.9% reactive silica (5.7% total)**
- **Resource is near surface, situated close to existing road and rail infrastructure**
- **BRL is engaging engineering consultants to scope out Fortuna project from mine to port and evaluate possible bauxite end users**
- **BRL and JV Partners maintain large ~380Mt resource base in proven bauxite mining region (see website for all previous JORC resource ASX releases)**
- **Resource upgrade and strengthening bauxite markets should improve project economics**

Bauxite Resources Limited (ASX: BAU) ("BRL" or the "Company") is pleased to announce a resource update for the Fortuna bauxite deposit in the Darling Range, Western Australia. BRL retains 100% beneficial interest to the bauxite.

The resource is located on two private landholdings (farms) located ~60km north east of Perth, and 10km from the township of Wundowie (Figure 1). Existing rail infrastructure is situated ~15km to the north providing a link to the Kwinana port around 120km away.

Table 1: Total Fortuna Deposit Resource Classification

JORC classification	Quantity (Mt)	Al_2O_3 % (total)	Al_2O_3 % (available at 148°)	SiO_2 % (total)	SiO_2 % (reactive at 148°)
Measured	-	-	-	-	-
Indicated	6.3	40.2	34.0	5.7	1.9
Inferred	33.9	38.5	31.8	5.6	1.7
Total	**40.2**	**38.8**	**32.1**	**5.6**	**1.8**

Note - all grades are unbeneficiated
Full Resource details appear in JORC list of reporting criteria for Fortuna resource below

The previous resource estimate announced in September 2013 stood at 39.5Mt at 28.8% available alumina. The current update has resulted from the analysis of 3,395 samples, which were originally assayed using Fourier Transform Infra-Red (FTIR), by the preferred low temperature BOMB digest analysis in order to improve the quality of the data used in the estimate.

The previous estimate based principally on FTIR was found to be under calling available alumina at the higher end of the grade range. The resource wireframes have been re-interpreted based on the new grades.

DATE: 26 June 2014

ASX Code: BAU

BAUXITE RESOURCES LTD
ABN: 72 119 699 982

DIRECTORS:
Robert Nash
Non Executive Chairman
Peter Canterbury
CEO & Executive Director
Luke Atkins
Non Executive Director
Cunliang Lai
Non Executive Director
Neil Lithgow
Non Executive Director
John Sibly
Non Executive Director
Zhaozhong Wang
Non Executive Director

COMPANY SECRETARY:
Sam Middlemas

Head Office:
Level 2, Building E
Garden Office Park
355 Scarborough Beach Rd
Osborne Park WA 6017
Mail:
PO Box 1315
Osborne Park WA 6916
T: +61 8 9200 8200
F: +61 9 9200 8299
E: admin@bauxiteresources.com.au
W: www.bauxiteresources.com.au

Share Registry:
Security Transfer Registrars
PO Box 535
Applecross WA 6953
T: +61 8 9315 2333
F: +61 8 9315 2233

Commenting on the resource upgrade, BRL CEO Peter Canterbury said, "The upgrade of the Fortuna resource is a material improvement in the low temperature digestion available alumina content of the Fortuna deposit and allows the Company to target this product as a genuine DSO without the need for any beneficiation, unlike several of our Australian competitors.

"We have a deposit which is easy to mine, requiring no beneficiation, located close to existing rail and port infrastructure. This offers a low CAPEX start-up opportunity. The Company is now engaging engineering consultants to scope out the project from mine to port. The deposit is differentiated from its peers by its location, its predominantly gibbsitic bauxite form and its low reactive silica qualities which are the key reasons why Darling Range alumina refineries are among the most cost competitive in the world.

"The resource upgrade combined with a strengthening outlook for both the short and long term bauxite market improves the project economics," he added.

Forward Work Plan

The Company has this week awarded the Fortuna Concept Study to AMC Consultants ("AMC") a leading independent mining consultancy, providing services exclusively to the minerals sector. AMC will conduct the project scoping study covering the geology, mining, processing, infrastructure and economics of the Fortuna Bauxite Project based on a DSO operation. The study will examine the viability of an operating rate in the range of 2-4 million tonnes per annum and will take 3 months to complete.

In parallel to this BRL has engaged Bauxite Alumina Consulting Service ("BACS") to undertake a technical bauxite market evaluation of the Fortuna bauxite. BACS has over 30 years of technical bauxite and alumina experience and capability in the value in use evaluation of various bauxites. This study will take 2 months to complete.

Bauxite Market Update

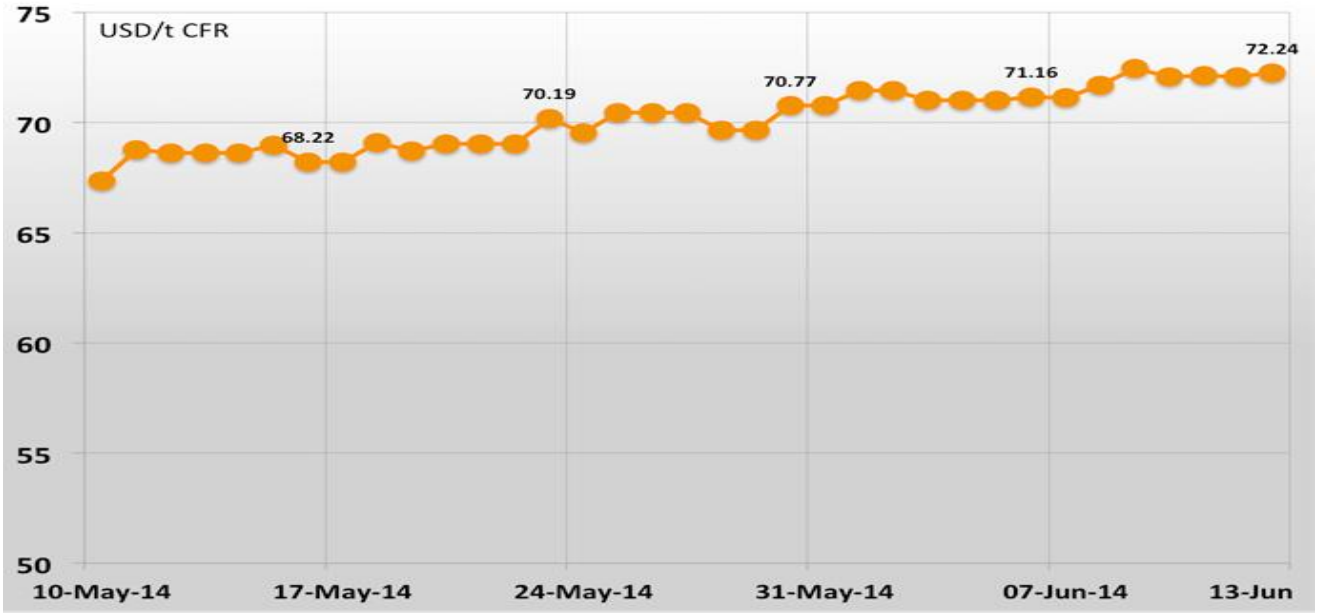
In January 2014, the Indonesian Government confirmed the ban on bauxite exports from Indonesia would remain. It is estimated ~42 million tonnes of bauxite was exported last year from Indonesia to China. Combined with other imports, China has built up an estimated 12 month stockpile of required bauxite imports.

According to "The CBIX Bauxite Index", China's imports of bauxite reached 1.58Mt in April 2014, down 76.59% year on year. During the first four months of the year, bauxite imports totalled 14.47Mt, down 29.92% year on year. No Indonesian bauxite imports have been reported since April and imports of Australian bauxite dropped 23.43% year on year to 1.02Mt in April.

It is expected that China's bauxite import inventory will continue to shrink during the June quarter of 2014, and imports of non-Indonesian bauxite will increase. Once these stockpiles are exhausted, it is expected that China will require several new significant sources of imported bauxite to satisfy demand out of China. This anticipated rise in demand has led to an increase in bauxite prices over the past few weeks.

Australia logistically is well placed to supply this demand and Western Australia is currently the largest bauxite producing region in the world. BRL's bauxite resources located near existing rail infrastructure provides an opportunity for a low capital cost operation and nearer term start-up of direct shipment export of bauxite from Western Australia. Australia's proximity to China means Australia has a logistical advantage to many other alternative supply sources and positions the Company well to take advantage of the increase in demand for Australian bauxite.

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au



Source: The Bauxite Index

According to CRU forecasts, longer term bauxite demand from China is anticipated to reach 95 million tonnes by 2022, representing a two and a half fold increase from the 38 million tonnes imported into China in 2012. CRU is also forecasting that the global bauxite market is in the midst of a structural change which will see a sizable number of new entrants into the market in the next decade, in the form of junior miners. According to CRU Australia is expected to dominate the group in bauxite exports and officially become the largest exporter of bauxite to China.

Resource Details (Amended to include complete resource details)

The Fortuna resource estimate is based on drilling completed in 2013 at a nominal 160m x 80m spaced grid pattern, and extends across 658Ha (6.58km^2) of private landholding. The geological setting is laterite over a predominantly granitic basement with mineralisation occurring as flat lying to slightly undulating zones formed by the weathering of basement rocks. The deposit is similar in style to many other bauxite deposits in the region. The resource comprises a bauxite horizon up to 12m thickness that is typically covered by 0.5 to 2m of loose overburden. The current estimate, completed by RungePincockMinarco (RPM), was based on 370 vacuum holes within the mineral resource for 1,637m within the mineral resource wireframe. Vacuum samples were collected at 0.5m intervals. Whole samples were taken when sample return was less than 2kg, with those greater than 2kg split with a twin riffle splitter. A total of 522 vacuum drill holes have been completed at Fortuna (Figure 2). All holes were drilled vertically, with intersected thicknesses considered as true thickness, given the relatively flat lying nature of mineralisation.
All samples within the resource were analysed by low temperature caustic (148°) digest (BOMB) and ICP-OES analysis using 1.0 ± 0.04g samples to determine available alumina and reactive silica. FTIR was utilised to determine total Al_2O_3, Fe_2O_3, SiO_2, TiO_2 and a variety of trace elements, with 10% of samples analysed by X-Ray Fluorescence (XRF) spectrometry to verify results. Results reported as available alumina and reactive silica represent low temperature digestion analyses.

Wireframes for the resource study were generated using cross sectional interpretations based on mineralised envelopes constructed using down hole geochemistry and associated lithological logging. Ordinary Kriging (OK) was used to estimate the resource. Full details are attached below. The selected cutoff grade at Fortuna (25% available alumina) results in a resource grade (32.1%) comparable to that currently economically mined elsewhere in the Darling Range, and as such is believed to be viable for alumina refining. The Fortuna Mineral Resource estimate has been reported with a high degree of confidence due to the relatively close spaced drilling. The lode geometry and continuity has been adequately interpreted to reflect the applied level of Indicated and Inferred Mineral Resource.

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

The resource is likely to be mined by conventional open cut mining methods. No assumptions have been made regarding metallurgy other than the material could be refined using the industry recognised Bayer processing method.

For further company details, please visit www.bauxiteresources.com.au Released by:

Peter Canterbury
CEO/Executive Director
Bauxite Resources Ltd
Tel: +61 08 9200 8200

Media Inquiries:
James Harris
Professional Public Relations (PPR)
Tel: +61 8 9388 0944 / 0400 296 547
james.harris@ppr.com.au

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

Figure 1: Bauxite Resources Ltd Tenement Holding

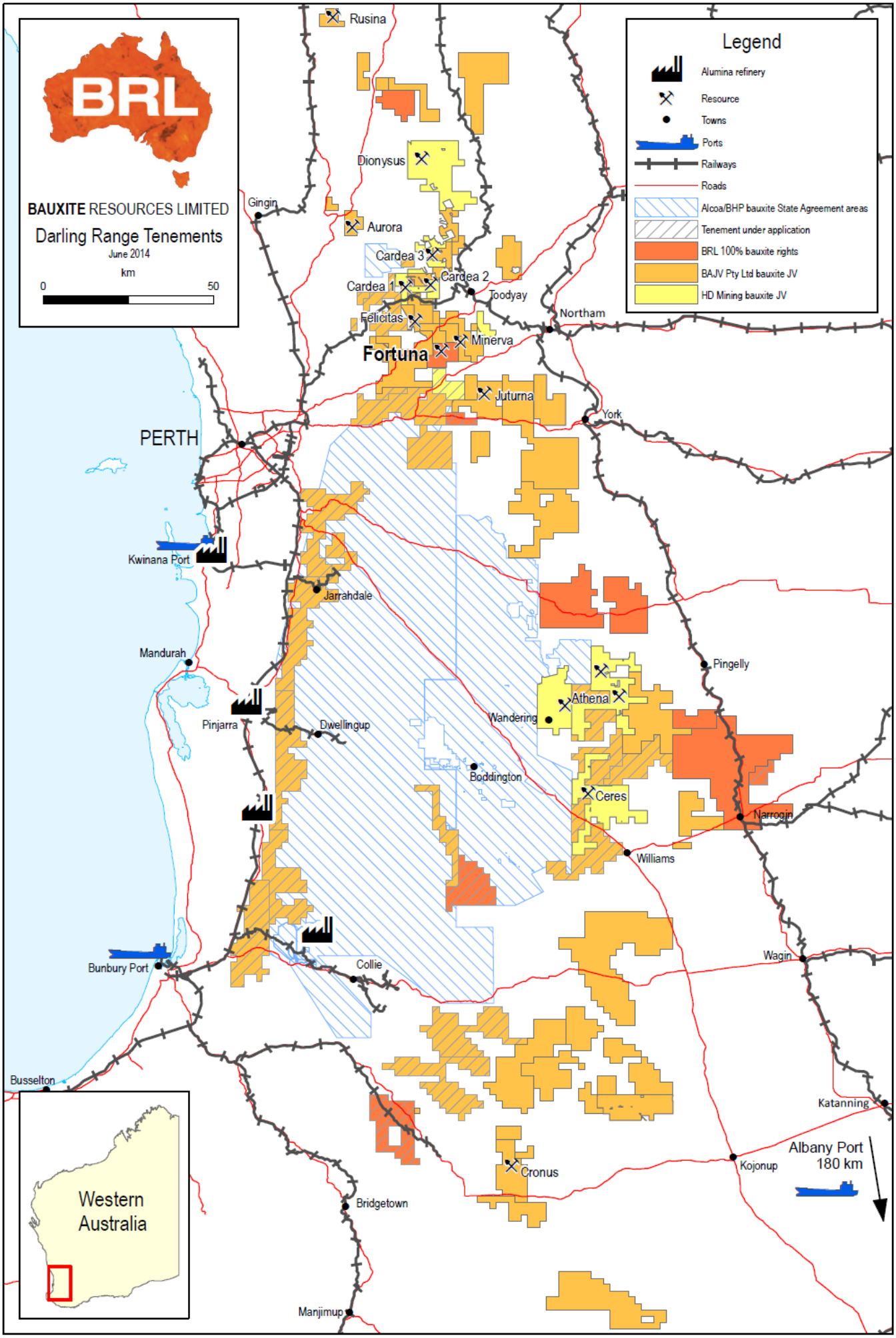
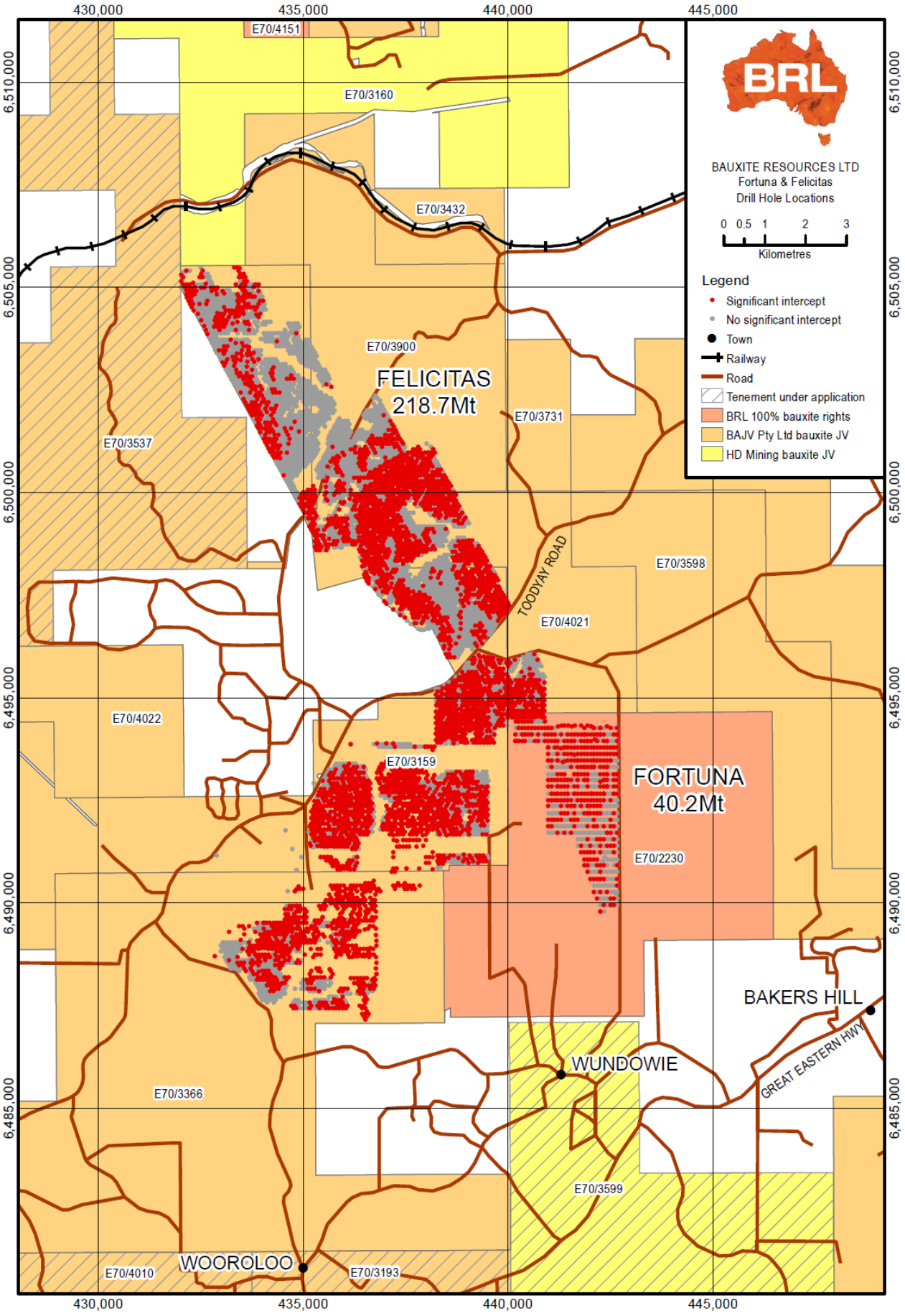


Figure 2: Fortuna Resource drill hole location map



Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

COMPETENT PERSON STATEMENT

The information in this report that relates to the **Fortuna** Mineral Resource 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 RungePincockMinarco (RPM). 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 2012 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.

The information in this announcement that relates to **Exploration results** is based on information compiled by Mark Menzies, who is a member of the Australian Institute of Geoscientists. Mr Menzies is a qualified geologist and a full time employee, and 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 2012 Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves". Mr Menzies has consented to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

JORC Code Compliant Public Reports

The Company advises that this material may contain summaries of Exploration Results and Mineral Resources as defined in the 2012 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' (JORC Code). The JORC compliant Public Reports released to the ASX declaring exploration results or JORC resources referred to can be viewed on both the ASX and the Company websites, free of charge.

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources that all material assumptions and technical parameters underpinning the estimate in the relevant market announcement continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not materially modified from the original market announcement.

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

JORC list of reporting criteria for Fortuna resource, reported under 2012 reporting guidelines

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	• *Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* • *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* • *Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	• The mineralised lodes at the Fortuna deposit were sampled using Vacuum (VAC) drilling on a predominantly 160m by 80m grid spacing (80m by 80m in the northwest of the tenement). A total of 370 holes were included in the Mineral Resource for a total of 1,637m within the Mineral Resource wireframes. Holes were drilled vertical to optimally intersect the mineralised zones. • All drill hole collars in the supplied database have been accurately located with coordinates in MGA94 grid system. Down hole surveys have not been taken as drill holes are all less than 23m in depth and drilled vertically through the predominantly flat lying laterite. • Vacuum samples were collected at 0.5m intervals. Whole samples were taken when sample return was less than 2kg. A twin riffle splitter was used for samples weighing more than 2kg, with one split collected in a calico bag for analysis and the remainder dropped on the ground. Sampling and QAQC procedures were carried out to industry standards.
Drilling techniques	• *Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	• All drilling was undertaken using a tractor mounted vacuum drill rig utilising a 45mm drill bit.
Drill sample recovery	• *Method of recording and assessing core and chip sample recoveries and results assessed.* • *Measures taken to maximise sample recovery and ensure representative nature of the samples.* • *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	• All samples were weighed. This provides an indirect record of sample recovery. • All VAC samples were visually checked for recovery, moisture and contamination. • No relationship exists between sample recovery and grade.
Logging	• *Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* • *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* • *The total length and percentage of the relevant intersections logged.*	• All holes were field logged by company supervised geologists. Weathering, lithology, alteration and mineralogy information were recorded. • No diamond core was drilled. • All drill holes were logged in full. • Logging was qualitative in nature.
Sub-sampling techniques and sample preparation	• *If core, whether cut or sawn and whether quarter, half or all core taken.* • *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* • *For all sample types, the nature, quality and appropriateness of the sample preparation technique.*	• No diamond core was drilled. • All 0.5m VAC samples are collected at the rig. Typically, entire samples were analysed, however those weighing more than 2kg were split using a twin riffle splitter (50:50) used at the rig. All samples were dry. • Samples were submitted to Nagrom Laboratories in Perth for a variety of analysis techniques. Samples at Nagrom were dried in a convection oven for 12 hours at 105°C. Dried samples were weighed to determine that they were less than 2kg and any overweight samples were crushed to -6.3mm if necessary then split to less than 2kg. Samples were then pulverised in a vibrating disc LM-5 pulveriser to produce a 150µm pulp. These pulps were split into 100g samples for retention and analysis. • Field QC procedures involved the use of certified reference materials (1 in 40), and field duplicates (1 in

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

Criteria	JORC Code explanation	Commentary
	• *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* • *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* • *Whether sample sizes are appropriate to the grain size of the material being sampled.*	20 for samples >2kg in weight). The field duplicates have accurately reflected the original assay. Recognised laboratories have been used for analysis of samples. • The standard sampling procedure used by BRL is to submit the entire sample to Nagrom for analysis. Samples are only split at the rig when the sample weight exceeds 2kg. A twin riffle splitter is used to collect a sample for analysis with the remainder dropped on the ground. Field duplicates are collected from these split samples at a rate of 1:20 • Sample sizes are considered appropriate to correctly represent the bulk tonnage mineralisation based on: the style of mineralisation, the thickness and consistency of the intersections, the sampling methodology and assay value ranges for bauxite.
Quality of assay data and laboratory tests	• *The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* • *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* • *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	• Samples were analysed at Nagrom Laboratory in Perth by Fourier-Transform Infrared (FTIR). Samples returning greater than or equal to 23% available alumina underwent low temperature caustic analysis (148°) bomb digestion (BOMB) for analysis by ICP-OES using 1.0 ± 0.04g samples to determine available alumina and reactive silica. FTIR was used to determine total Al_2O_3, Fe_2O_3, SiO_2, TiO_2 and a variety of trace elements, with 10% of samples returning greater than 23% available alumina validated by X-Ray Fluorescence Spectroscopy (XRF). • A total of 3,395 additional samples were analysed for this update using BOMB digest to improve the data quality of samples within the mineralised lodes. • No geophysical tools were used to determine any element concentrations used in this resource estimate. • Laboratory QAQC includes the use of internal standards using certified reference material, laboratory duplicates and pulp repeats. The field duplicates have accurately reflected the original assay. Certified standards have generally reported within acceptable limits although bias in the FTIR results show the need for careful calibration when using this analytical technique. The QAQC results confirm the suitability of the drilling data for use in the resource estimation.
Verification of sampling and assaying	• *The verification of significant intersections by either independent or alternative company personnel.* • *The use of twinned holes.* • *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.*	• Significant drill hole intersections were reported by BRL to the ASX during 2013 and verified by BRL exploration personnel. The BRL logging process involves placing drill samples for each 0.5m interval into chip trays which are then photographed to provide a permanent record of the down hole lithology. Mr. Mark Menzies, Exploration Manager for BRL, verified the significant intersections by comparing the returned assay results to the photographs of the chip trays. • The original assay results were provided to RPM and these were cross checked with results in the supplied Access database. • No twin holes were drilled. • BRL geologists logged all drill samples at the rig, with a minimum logging interval of 0.5m. Regular chip-tray samples were collected as permanent physical records for audit and validation purposes, and all holes photographed for future reference and reconciliation of assay results with geology. All logging data was captured in digital logging devices to

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

Criteria	JORC Code explanation	Commentary
	• *Discuss any adjustment to assay data.*	ensure consistency of coding and minimise data entry errors. Logging is described using the BRL Bauxite Logging Codes preloaded into the data logger. • Assay values that were below detection limit were adjusted to equal half of the detection limit value. Intervals with no samples were left blank in the database.
Location of data points	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Specification of the grid system used.* • *Quality and adequacy of topographic control.*	• All the drill holes used in the Mineral Resource estimate have been accurately surveyed in MGA grid co-ordinates. Down hole surveys have not been taken as drill holes are all less than 23m in depth and drilled vertically through the predominantly flat lying laterite. • Collars have been located in UTM, MGA94, Zone 50K co-ordinates. • Topographic surface based on Geoscience Australia's 250K topography series containing 5m contour data. The 541 surveyed Fortuna collar points were used to adjust the surface over the deposit area.
Data spacing and distribution	• *Data spacing for reporting of Exploration Results.* • *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* • *Whether sample compositing has been applied.*	• The nominal drill hole spacing is 160m by 80m (with a small area of 80m by 80m in the northwest of the tenement). • The mineralised domains have demonstrated sufficient continuity in both geological and grade continuity to support the definition of Indicated and Inferred Mineral Resource, and the classifications applied under the 2012 JORC Code. • All samples were taken at even 0.5m intervals so no compositing was required.
Orientation of data in relation to geological structure	• *Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* • *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	• Drill holes are drilled vertical, which is approximately perpendicular to the orientation of the flat-lying mineralisation. • No orientation based sampling bias has been identified in the data.
Sample security	• *The measures taken to ensure sample security.*	• Chain of custody is managed by BRL. Samples are stored on site prior to being trucked to Nagrom in Perth by courier. BRL employees have no further involvement in the preparation or analysis of the samples.
Audits or reviews	• *The results of any audits or reviews of sampling techniques and data.*	• A desktop review of sampling techniques was carried out by RPM. From the reports provided, the sampling appears to be conducted to industry standards.

Section 2 Reporting of Exploration Results

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a license to operate in the area.*	• The drilling was completed entirely within tenement E70/2230. The tenement is registered to Mercator Metal Pty Ltd, with BRL retaining 100% rights to bauxite. • The tenement is in good standing. Mining access agreements and the grant of a Mining Lease will be required before mining operations can occur.
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• Bauxite was identified in the greater region by Pacminex Pty Ltd in the period 1968-1975 by drilling of several target areas.
Geology	• *Deposit type, geological setting and style of mineralisation.*	• The Bauxite intersected is typical of that seen in number of Darling Range deposits, representing a profile of weathering and alteration, of apparently in-situ material, separated by a thin clay or saprolite interval from the underlying ancient granite and gneiss

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

Criteria	JORC Code explanation	Commentary
		of the Yligarn Craton. Resultant bauxite zones occur as flat lying tabular bodies, often pod like in nature.

Drill hole information	• *A summary of all information material to the under-standing of the exploration results including a tabulation of the following information for all Material drill holes:*
	  • *easting and northing of the drill hole collar*
	  • *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar*
	  • *dip and azimuth of the hole*
	  • *down hole length and interception depth*
	  • *hole length*
	• *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*
		• Drill hole locations are shown on the map within the body of this Mineral Resource report. Significant drill hole intersections were tabulated in BRL's ASX announcements during 2013, and available on the Company's website free of charge.
		• In the opinion of BRL all material drill results have been adequately reported.

Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• Exploration drill results have been previously reported by BRL. • No aggregation carried out as all sampling at even 0.5m intervals. • Metal equivalent values are not being reported.
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g.'down hole length, true width not known').*	• All drill holes are vertical and intersect the tabular, flat lying mineralisation orthogonally, and represent close to true thickness.
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported. These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• A plan showing Fortuna drilling is included within this Mineral Resource report.
Balanced Reporting	• *Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* • *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• All significant exploration results have been reported in BRL's ASX announcements during 2013, and available on the Company's website free of charge.
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples - size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	• No other exploration data other than vacuum drill samples have been collected at Fortuna.
Further work	• *The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large- scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this*	• Drilling completed to date indicates the presence of bauxite mineralisation only. Further drilling is required to verify any continuity of intersected bauxite.

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

Criteria	JORC Code explanation	Commentary
	information is not commercially sensitive.	

Section 3 Estimation and Reporting of Mineral Resources

Criteria	JORC Code explanation	Commentary
Database integrity	• *Measures taken to ensure that data has not been corrupted by, for example, transcription or keying errors, between its initial collection and its use for Mineral Resource estimation purposes.* • *Data validation procedures used.*	• The database is validated by rOREdata before sending to BRL geologists. All drill logs are validated digitally by the database geologist once assay results are returned from the laboratory. • RPM also performed data audits in Surpac and checked collar coordinates, down hole surveys and assay data for errors. No errors were found.
Site visits	• *Comment on any site visits undertaken by the Competent Person and the outcome of those visits.* • *If no site visits have been undertaken indicate why this is the case.*	• A site visit has not been conducted by RPM. • Mr. de la Mare visited the Felicitas deposit in November 2011 whilst employed by BAJV. The Felicitas deposit is adjacent to the Fortuna deposit and is considered an extension of the Fortuna mineralisation. The same vacuum drill rig as used to drill the Fortuna deposit was in operation at the time of the site visit, and drill hole logging and sampling was viewed.
Geological interpretation	• *Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.* • *Nature of the data used and of any assumptions made.* • *The effect, if any, of alternative interpretations on Mineral Resource estimation.* • *The use of geology in guiding and controlling Mineral Resource estimation.* • *The factors affecting continuity both of grade and geology.*	• The confidence in the geological interpretation is considered to be good. The geological setting is laterite overlying granitic basement. The bauxite mineralisation is related to the weathering of granite or mafic rocks. The deposit is similar in style to many bauxite deposits in the Darling Range. • Geochemistry has been used to assist identification of the rock type applied in the interpretation process. • The deposit is tabular in geometry, however is often pod like in nature. Clear boundaries define the mineralisation. • Outcropping of mineralisation has supported geochemistry. The mineralised domains are wireframed based on geochemistry and geological logging. • The flat lying bauxite lodes are near surface within the laterite profile and follow the undulating topography. Lodes tend to thin out towards areas of higher terrain, and thicken across flat to gently sloping terrain. The basal extent of the lodes is determined from geochemical changes noted down hole (such as a sudden marked increase in reactive silica across 0.5m intervals), in association with a noted increase in the clay content observed through lithological logging.
Dimensions	• *The extent and variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, and depth below surface to the upper and lower limits of the Mineral Resource.*	• The Fortuna Mineral Resource area extends over a strike length of 5.1km (from 6,489,680mN to 6,494,800mN), has an average width of 1.8km (from 440,910mE to 442,700mE) and was modelled from surface to a depth of approximately 14m below surface.
Estimation and modelling techniques	• *The nature and appropriateness of the estimation technique(s) applied and key assumptions, including treatment of extreme grade values, domaining, interpolation parameters and maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software and parameters used.*	• Using parameters derived from modelled variograms, Ordinary Kriging (OK) was used to estimate average block grades within the bauxite domain using Surpac software for 7 elements; available alumina, reactive silica, Al2O3, SiO2, Fe2O3, TiO2 and LOI. No high grade cuts were deemed necessary. Drill hole sample data was coded using mineralisation wireframes and composited to 0.5m lengths using the fixed length technique. Maximum extrapolation distance from data points was 80m, half of the 160m drill hole spacing. • Three dimensional mineralised wireframes were used to domain the data. As all samples were taken at

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

Criteria	JORC Code explanation	Commentary
	• *The availability of check estimates, previous estimates and/or mine production records and whether the Mineral Resource estimate takes appropriate account of such data.* • *The assumptions made regarding recovery of by-products.* • *Estimation of deleterious elements or other non-grade variables of economic significance (eg sulphur for acid mine drainage characterisation).* • *In the case of block model interpolation, the block size in relation to the average sample spacing and the search employed.* • *Any assumptions behind modelling of selective mining units.* • *Any assumptions about correlation between variables.* • *Description of how the geological interpretation was used to control the resource estimates.* • *Discussion of basis for using or not using grade cutting or capping.*	even 0.5m intervals, no compositing was carried out. • No top-cuts were applied to the data as no extreme grades were noted. • The maximum distance of extrapolation from data points was 80m. • No previous mining activity has taken place at Fortuna. A previous estimate of Fortuna was completed in May, 2013. Wireframes were modified and extended to the south onto an additional property in August 2013 as a result of additional drilling. Reporting of the updated Mineral Resource verifies the previous Mineral Resource reported on both properties. • It is assumed that there will be no by-products recovered from the mining of bauxite. • The non-grade elements estimated are Fe_2O_3, and TiO_2. The deleterious elements estimated are reactive silica, whole rock SiO_2 and LOI. • The parent block size was 80m NS by 40m EW by 1m vertical with sub-cells of 40m by 20m by 0.5m. The parent block size was selected on the basis of being approximately 50% of the average drill hole spacing in the deposit. Block discretisation was set to 4 by 4 by 2. An orientated 'ellipsoid' search was used to select data and was based on parameters taken from the variography. Two passes were used; the first pass used a range of 200m, with a minimum of 10 (or 6) samples. For the second pass, the range was extended to 400m, with a minimum of 4 samples. A maximum of 32 samples was used for each pass. • Selective mining units were not modelled. The block size used in the resource model was based on drill sample spacing and lode orientation. • There is a strong positive correlation between Al_2O_3 and available alumina and also between available alumina and LOI. Both Al_2O_3 and available alumina show a strong negative correlation with Fe_2O_3. There is a strong negative correlation between LOI and Fe_2O_3. The remaining elements are un-correlated. • The deposit mineralisation was constrained by wireframes constructed using down hole geochemistry and associated lithological logging. The optimum bauxite mineralisation is characterised by high available alumina and very low reactive silica (preferably with a ratio of better than 10:1). The basal extent of the bauxite was determined by a noticeable increase in reactive silica with an associated decrease in available alumina across a 0.5m interval. This geochemical change generally coincided with intervals logged as transitional or clay material. The base of logged gravel coincided with the upper limit of the bauxite material. The wireframe was applied as a hard boundary in the estimate. • To assist in the selection of appropriate top-cuts, log-probability plots and histograms were generated. The data from the bauxite domain typically showed normal distributions for all the elements except for reactive silica and total silica which showed a slight positive skewness. The lack of any distinct breaks in the shape of each distribution on the log probability plots and population histograms, and the very low CV values, suggest that no top-cuts are required. • To validate the model, a qualitative assessment was

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

Criteria	JORC Code explanation	Commentary
	• *The process of validation, the checking process used, the comparison of model data to drill hole data, and use of reconciliation data if available.*	completed by slicing sections through the block model in positions coincident with drilling. A quantitative assessment of the estimate was completed by comparing the average grades of the sample file input against the block model output for all the Mineral Resource lodes. A trend analysis was completed by comparing the interpolated blocks to the sample data within all the lodes. This analysis was completed for northings and elevations across the deposit. Validation plots showed excellent correlation between the sample grades and the block model grades.
Moisture	• *Whether the tonnages are estimated on a dry basis or with natural moisture, and the method of determination of the moisture content.*	• Tonnages and grades were estimated on a dry in situ basis.
Cut-off parameters	• *The basis of the adopted cut-off grade(s) or quality parameters applied.*	• The Mineral Resource has been reported at a 25% available alumina cut-off grade. • BRL is operating in its own right and under two Joint Ventures, with Yankuang (BAJV) and HD Mining (HD Mining JV) respectively. The purpose of BRL activity is to explore for bauxite, where bauxite is defined under the JV's as heterogeneous material composed primarily of one or more aluminium hydroxide minerals and having more than 25% available alumina. BRL believes that the selected cut off at Fortuna (25% available alumina) results in a product that is viable for alumina refining.
Mining factors or assumptions	• *Assumptions made regarding possible mining methods, minimum mining dimensions and internal (or, if applicable, external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods and parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.*	• RPM has assumed that the deposit could potentially be mined using medium scale open pit techniques. The minimal amount of overburden and shallow nature of the deposit could allow mining to be carried out with surface mining equipment, but this has not be verified with an economic study.
Metallurgical factors or assumptions	• *The basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes and parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.*	• No assumptions have been made regarding metallurgy other than the material could be refined using the industry recognised Bayer Processing method.
Environmental factors or assumptions	• *Assumptions made regarding possible waste and process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining and processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions made.*	• The Fortuna Project is not subject to any environmental liabilities.
Bulk density	• *Whether assumed or determined. If assumed, the basis for the assumptions. If determined, the method used, whether wet or dry, the frequency of the*	• Bulk density is assumed. A value of 2.17t/m^3 was assigned to bauxite and waste material. This was based on 89 reported measurements on diamond

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au

Criteria	JORC Code explanation	Commentary
	measurements, the nature, size and representativeness of the samples. • *The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture and differences between rock and alteration zones within the deposit* • *Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.*	core samples analysed from the BAJV drill program on the Felicitas deposit. Samples were weighed using the water immersion technique. • The 89 measurements have been recorded from 16 diamond drill holes at the Felicitas deposit. The samples have returned specific gravity values between 1.55t/m^3 and 2.85t/m^3 with an average bulk density figure of 2.32t/m^3. The first quartile value of 2.17t/m^3 has been applied to the block model. This is considered a conservative assignment of bulk density to allow for void spaces present in the material.
Classification	• *The basis for the classification of the Mineral Resources into varying confidence categories.* • *Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology and metal values, quality, quantity and distribution of the data).* • *Whether the result appropriately reflects the Competent Person's view of the deposit.*	• Mineral Resources were classified in accordance with the Australasian Code for the Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC, 2012). The Mineral Resource was classified as Indicated and Inferred Mineral Resource on the basis of data quality, sample spacing, and lode continuity. The input data is considered reliable as BRL have comprehensive QAQC procedures in place. • The Mineral Resource estimate appropriately reflects the view of the Competent Person.
Audits or reviews	• *The results of any audits or reviews of Mineral Resource estimates.*	• Internal audits have been completed by RPM which verified the technical inputs, methodology, parameters and results of the estimate.
Discussion of relative accuracy/ confidence	• *Where appropriate a statement of the relative accuracy and confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy and confidence of the estimate.* • *The statement should specify whether it relates to global or local estimates, and, if local, state the relevant tonnages, which should be relevant to technical and economic evaluation. Documentation should include assumptions made and the procedures used.* • *These statements of relative accuracy and confidence of the estimate should be compared with production data, where available.*	• The Fortuna Mineral Resource estimate has been reported with a high degree of confidence. The lode geometry and continuity has been adequately interpreted to reflect the applied level of Indicated and Inferred Mineral Resource. The data quality is good and the drill holes have detailed logs produced by qualified geologists. A recognised laboratory has been used for all analyses. • The Mineral Resource statement relates to global estimates of tonnes and grade. • No mining has occurred at the deposit.

Level 2, Building E, Garden Office Park, 355 Scarborough Beach Road, OSBORNE PARK WA 6017
PO Box 1315, OSBORNE PARK DC WA 6916 Phone: +61 8 9200 8200 Fax: +61 8 9200 8299 www.bauxiteresources.com.au