



**Bauxite Resources Limited**

ACN 119 699 982

ASX/MEDIA RELEASE

8 JULY 2008

## **BAUXITE RESOURCES LTD (BRL) MARKET UPDATE**

### **ASX CODE BAU**

- **BRL applies for 13 additional Exploration Licences in the Darling Range in the past 2 months**
- **Historical data review well advanced with a number of priority exploration targets areas identified**
- **Preliminary scoping study of Direct Shipping Ore (DSO) operation confirms positive economics of a 2Mtp/a operation**
- **Initial exploration targeting >30Mt of bauxite resource to underpin a minimum 2Mtp/a DSO operation**

**Bauxite Resources Limited (BRL)** has applied for **13 additional Exploration Licences (ELs)** during the past two months, in the highly prospective Darling Range area of Western Australia, following the level of interest expressed in BRL's projects from Chinese interests during the company's recent trip to China. BRL is focusing on its Direct Shipping Ore (DSO) proposal and exploration program as part of a staged approach to defining a JORC compliant resource.

The additional ELs brings to **38 the total number of ELs**, an increase of **more than double the area** at the time of listing on the ASX in October 2007, and now covering a total area of approximately 7,500 square kilometres. BRL's Darling Range ELs extend over a band from Moora in the north to Manjimup in the south, a distance of some 400 kilometres. (See attached map, new ELs marked in yellow)

The Darling Range is recognised as one of the world's most important areas of known bauxite mineralisation, providing around 17.5% of the world's alumina.

### **Exploration Programme**

Since joining BRL in March 2008, Peter Bleakley and the exploration team have digitised and analysed significant volumes of historical data as part of the program to identify priority areas containing known bauxite. In addition an exploration **target generation program** has identified new areas along strike and adjacent to known bauxite rich

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areas. This extensive review of historical data, some of which dates back 38 years, has involved the digital capture of thousands of historical drill-hole logs, locating and electronically plotting these onto BRL's tenements and resulting in the identification and subsequent application of **a further 18 ELs in the Darling Range since listing**. The company has now identified a number of target areas that hold potential to support a DSO operation.

As a result of recent in-house scoping studies which confirm the business case, the company has set the **initial Stage One resource target of >30MT to support the development of a 2MTPA DSO** operation; hence the initial targets comprise bauxite tenements close to existing infrastructure such as rail lines and ports, with known bauxite mineralisation from historical data.

The historical reviews include data from CSR Pacminex relating to its Muchea Alumina Projects in the North Darling Range; from Vam Ltd and Project Mining Corporation Ltd's data in the South Darling Range and from BHP's Williams Bauxite Project's data to the east of their Mount Saddleback bauxite mine (which supplies the Worsley Alumina Refinery).

Five of BRL's new ELs lie to the east of BHP's Mount Saddleback bauxite mine adjoining two previous tenement applications and in relative proximity to the existing rail network; and a further four ELs have been made south east of the port of Bunbury, close to existing rail infrastructure servicing this important southern regional hub. Two additional ELs lie in an area south west of York, and a further two in the Darling Range Northern Project area.

### **Scoping Study**

BRL and its external consultants continue with the preliminary scoping analysis on its North and South Darling Range Project areas to advance both the exploration program and the Stage One strategy of developing a sustainable DSO export business.

### **Business Strategy**

BRL's exploration and business development strategy continues to be supported by the latest market data regarding global and in particular Asian bauxite demand.

### **Bauxite Demand - Asian Update**

- **Business case - continues to be supported by strong Chinese demand for bauxite.**
- **Bauxite price - reported in a range of US\$57 - US\$75 per tonne CIF**
- **Aluminium price - rises approximately 25% this year**
- **China's consumption of aluminium quadrupled – now accounting for 22% of total world consumption**
- **China - faces major bauxite supply and quality issues**
- **Rio Tinto's Weipa bauxite mine to spend \$30 million on feasibility study to increase bauxite production from 18.2 MT to 35 MT p/a**

The supply of bauxite to feed China's burgeoning demand has been experiencing additional pressure due to **supply issues from Indonesia and India.**

Indonesian bauxite exports are under increasing pressure as their government has clamped down on **illegal mining** and exports with issues surrounding quality.

The Indian Government has recently **fined illegal miners** and exporters of bauxite in an effort to retain higher grade bauxite for Indian refineries as local consumption increases to keep up with India's own escalating economic growth.

### **World Update**

The demand for aluminium worldwide has increased annually by 5% since 2000; however China's consumption has quadrupled from 1994 to 2005 and now accounts for 22% of total world consumption. (*Source: Prospective Study of the World Aluminium Industry 2007*). China is currently expected to import 31 million tonnes per annum of bauxite in 2008; significantly, this was the previously estimated import figure for 2012.

The **tightening of global alumina supply** has led to increased prices of alumina: "Demonstrated by the spot sale of 30,000 tonnes of Nalco material for US\$457/t fob Vizag, leaving spot prices at their highest levels in two years." (CRU Monitor June 2008)

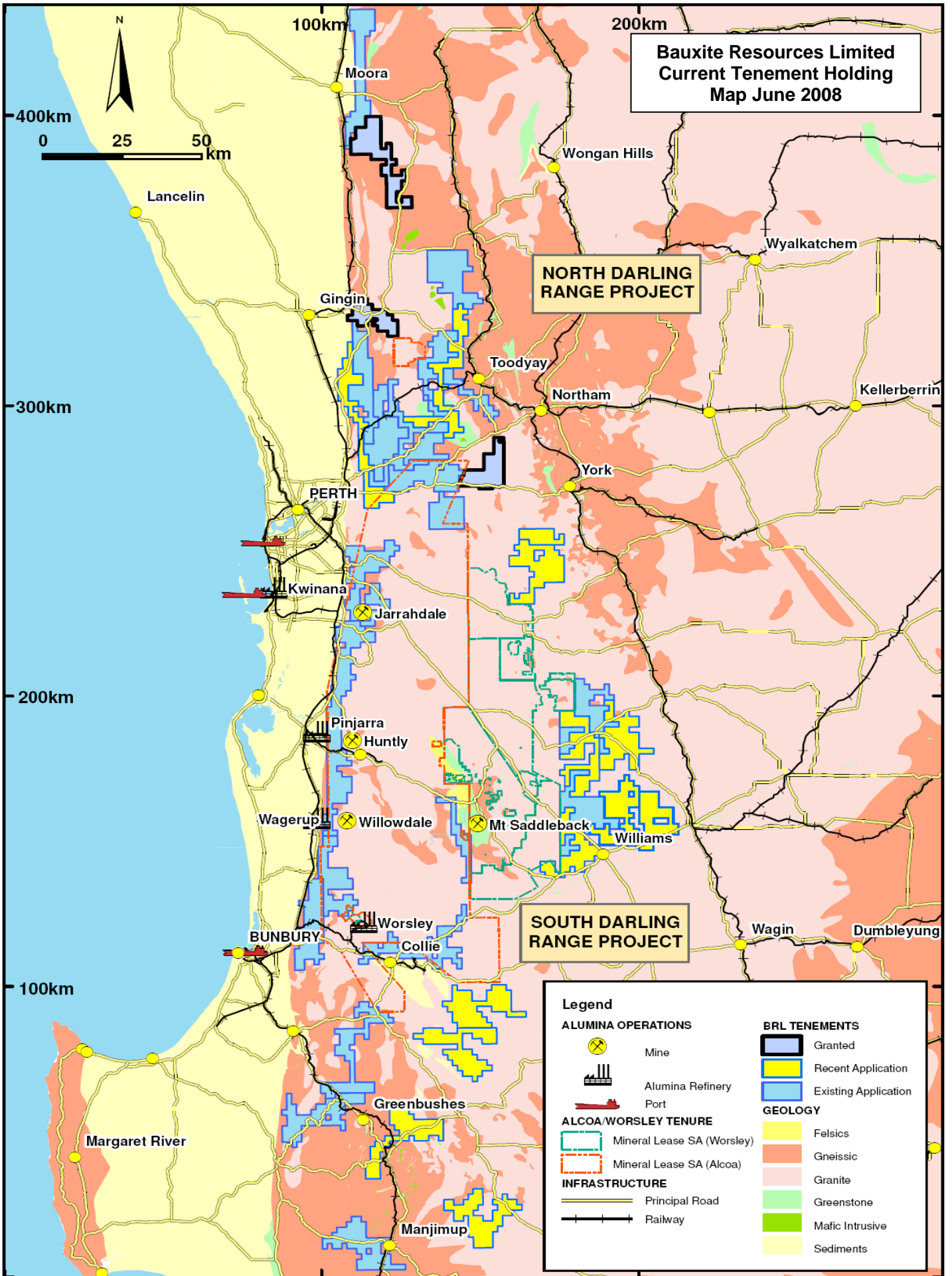
**- ENDS -**

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

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**Bauxite Resources Limited  
Current Tenement Holding  
Map June 2008**





**Legend**



**ALUMINA OPERATIONS**

-  Mine
-  Alumina Refinery
-  Port




**ALCOA/WORSLEY TENURE**

-  Mineral Lease SA (Worsley)
-  Mineral Lease SA (Alcoa)







**INFRASTRUCTURE**

-  Principal Road
-  Railway

**BRL TENEMENTS**

-  Granted
-  Recent Application
-  Existing Application

**GEOLOGY**

-  Felsics
-  Gneissic
-  Granite
-  Greenstone
-  Mafic Intrusive
-  Sediments



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## Background

**- Bauxite Resources Limited**

Bauxite Resources Limited (BRL) was launched in May 2006 to establish itself in the bauxite and alumina industries in Western Australia where four of the seven Australian alumina refineries and four of Australia's bauxite mines are located. It listed successfully on the ASX on 22 October 2007 after closing its A\$7.5 million IPO early and oversubscribed, having previously raised approximately \$1.3 million in seed capital.

The Company is the only ASX-listed junior explorer in the highly prospective Darling Range, which is the largest producing alumina region in the world. This area supplies approximately 17.5% of the world's alumina and is home to Alcoa's Huntly Mine, the largest producing bauxite mine in the world. The Darling Range also has three of the top five refineries in the world in terms of lowest operating costs.

BRL has now applied for a total of 44 tenements in the three project areas; 38 tenements are located in the North and South Darling Range project areas and six tenements in the Kimberley project area. Three of these licenses have been granted in the North Darling Range Project area.

The Company is primarily focused on defining an initial sustainable economic bauxite resource sufficient to support a 2MT p/a direct shipping bauxite project through an intensive exploration and data review program to be undertaken in 2008/9 as Stage One. The Company is also reviewing the opportunities for the development of an alumina refinery as Stage Two.

Bauxite ore is the primary raw material for refining into alumina, which is subsequently smelted creating aluminium.

For further information please visit: [www.bauxiteresources.com.au](http://www.bauxiteresources.com.au)

*In accordance with the Australian Stock Exchange requirements, the technical information contained in this media statement has been reviewed by Mr. Neil Lithgow, a director of the company. The information in the media statement to which this statement is attached that relates to Mineralisation is based on information reviewed by Mr. Lithgow, who is a Member of the Australasian Institute of Mining and Metallurgy. Mr. Lithgow 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 JORC Code Edition of the "Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves." Mr. Lithgow consents to the inclusion in the report of the matters based on this information in the form and context in which it appears.*