



BRL SIGNS FARM-IN MOU WITH CHINESE GEOLOGICAL BUREAU FOR DARLING RANGE MINERAL EXPLORATION

Highlights

- **Memorandum of Understanding (MOU) signed with Shandong Provincial Bureau of Geology & Mineral Resources (SDGM) for 'farm-in' type arrangement for exploration at BRL's Darling Range tenements for all minerals other than bauxite**
- **Terms of MOU include the working towards an agreement for BRL to contribute knowledge, expertise and experience in return for direct investment in exploration by SDGM**
- **SDGM may carry out its own drilling and exploration, at its own expense, in return for earning an interest in all mineral discoveries other than bauxite**
- **BRL to enable SDGM access to Exploration Licences (ELs), database of historical workings and expertise**
- **Tenement acquisition activities continue with the company now holding 54 Exploration Licences (ELs) in the Darling Range covering approximately 11,000 square kilometres**

Perth-based bauxite explorer, Bauxite Resources Limited, (ASX: **BAU**; "BRL"), has signed a **Memorandum of Understanding** with the Chinese-based **Shandong Provincial Bureau of Geology and Mineral Resources** ("SDGM") who have a State sanctioned mandate to actively source a variety of minerals throughout the world to support China's, and in particular the Shandong Provinces industries and economic growth. The signing of the MOU follows visits by representatives of SDGM earlier in the year, ongoing discussions and negotiations, culminating in the signing ceremony at BRL's offices on 17th November 2008, attended by 11 delegates from SDGM.

The MOU essentially provides both parties with the framework to work together over the next three months to ascertain whether an agreement can be reached as to the suitable terms for a 'farm in' type arrangement. BRL would contribute its knowledge, expertise and experience together with access to its Exploration Licences (EL's) and databases of historical workings, while SDGM would pay for and carry out its own drilling and exploration in return for earning an interest in all mineral resources discovered other than bauxite, of which BRL retains exclusive rights.

The Shandong Provincial Government has been actively encouraging SDGM to secure resources from overseas for the economic future of the Shandong Province, which has scarce mineral resources.

"As one of the fastest growing economies in China, Shandong Province has an enormous requirement for minerals to support its increasing strong economy," said Ms Zheng Jinlan, Director-General of Shandong Bureau

of Geology & Mineral, at the signing ceremony in Perth yesterday. "Our cooperation will assist BRL establish a substantial market for any minerals mined on its tenements; we believe that SDGM could be referred to as BRL's partner and assist its access to the markets in Shandong," she added.

Mr Dan Tenardi, Managing Director of BRL, sees this MOU as evidence that SDGM recognises the significant mineral potential of BRL's Darling Range tenements. These tenements now cover some 11,000 square kilometres and reinforce, in the context of China's enormous growth, BRL's tenement acquisition strategy of acquiring ground in areas with mineral prospectivity upside and existing infrastructure.

SDGM are recognised as a major force in China in terms of exploration, development and sale of minerals and have established a reputation for geo-mineral exploration, hydro geological exploration and environmental geological surveying. They also have an envied reputation in geological exploration, equipment in operation development and expertise in mining exploration and development.

In addition, SDGM have developed a niche market for their geotechnical surveying, geotechnical investigation and foundation construction, having been involved with the construction of airports, railways, cableways and most recently, in work for the Beijing Olympic Games venues.

BRL has recently expanded its exploration tenements in the Darling Range by approximately 2,500 square kilometres since September 2008, taking the total area under application to over 11,000 square kilometres. The acquisition of the recent EL's has helped secure the MOU with SDGM, who, over the years, have built a reputation of establishing strategic resource bases in foreign countries.

"One of the missions for this Bureau is to help find resources overseas for the factories in our province, including steel mills and alumina refineries. We have actually formed strong alliances with these companies and through this kind of alliance; we are able to raise funds for the future development of the resources we have found. Hence a win-win situation for all parties," said Ms Zheng at the signing ceremony.

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Background – Shandong Provincial Bureau of Geology & Mineral Resources (SDGM)

Established in 1958, SDGM is a Chinese provincial government organisation with a staff of 13,775. There are 21 geology and prospecting entities attached to the Bureau engaged in; geo-mineral exploration, hydro geological exploration, environmental geological survey, exploitation and development of minerals.

Over the last 50 years, SDGM has discovered, assessed and invested in some 81 mineral projects worldwide including:

- 167 gold mines with proven reserves accounting for 25% of the country's total;
- The first original diamond deposit with a reserve of 3.49 million grams;
- Proved iron ore deposit of over 2 billion tonnes;
- Coal reserve of more than 25 billion tonnes;
- Gypsum of some 38 billion tonnes; and
- Sapphire deposits of over 1,445 kilograms.

SDGM has completed over 3,000 projects in relation to geological services, generating 10 trillion RMB in value to the Chinese economy.

The Bureau has been involved in many exploration and development projects in more than a dozen countries as well as in other parts of China. These projects include geotechnical surveys and foundation-laying works pertaining to the construction of airports, rails, cableways and sports facilities like Beijing Olympic Games venues.

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. BRL successfully listed 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 largest tenement holder in the Darling Range with approximately 11,000km². This area is the largest producing alumina region in the world, supplies approximately 18% of the world's alumina and is home to Alcoa's Huntly Mine, the largest producing bauxite mine in the world, supplying Alcoa's Pinjarra refinery, the second largest refinery in the world. The Darling Range is also the site of four alumina refineries, three of these are in the top five refineries in the world in terms of lowest operating costs.

BRL's Darling Range tenements extend in a band from Moora in the north to Manjimup in the south, a distance of some 400 kilometres. In total BRL has applied for a total of 57 tenements in the three project areas; 54 tenements are located in the North and South Darling Range project areas and three 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 >2Mtpa 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 in the longer term.

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

Seated: Mr Dan Tenardi, Bauxite Resources Ltd Managing Director

Mr Meng Xiangsan, Director 1st Institute of Shandong Bureau of Geology & Mineral Resources

Standing: SDGM delegation including Mr Luke Atkins, Executive Chairman BRL next to Ms Zheng Jinlan Director-General SDGM.

