ASX RELEASE 14 AUGUST 2009

MEMORANDUM OF UNDERSTANDING SIGNED WITH HONGFAN HOLDINGS LIMITED

The Board of Perth-based bauxite explorer and developer, Bauxite Resources Ltd (ASX: **BAU**, "BRL") is pleased to announce that it has signed a Memorandum of Understanding (MOU) with Hongfan Holdings Limited ("Hongfan").

Hongfan is a comprehensive group corporation integrating production, investment and trade. As a producer of aluminium and a leading importer of bauxite, alumina and other minerals, Hongfan has interests in the manufacture of non-ferrous metals and is seeking to expand its interests in bauxite and alumina and wishes to establish a working relationship with BRL. Specifically it wishes to source a long term supply of bauxite from BRL and establish strategic cooperation with a view to forming a long term relationship.

The key targets that this MOU seeks to identify are as follows:

- 1. The entering into of a Heads of Agreement for an Off-Take Agreement for BRL to export to Hongfan approximately 1.25mtpa of bauxite.
- 2. The establishment of a long term relationship and strategic cooperation between the parties which will enable the parties to explore further opportunities for the benefit of both parties.

The MOU does not create any binding contractual obligations and the MOU has a clause that it will not take precedence over any existing MOU and cannot operate to the detriment of any other MOU or arrangement that BRL already has in place.

The BRL Managing Director Dan Tenardi is in China for several weeks and in his absence enquiries may be directed to the Chairman Mr Luke Atkins.

-ENDS-

For more information please contact:

Mr Dan Tenardi

Managing Director

Ph: +618 9221 5019

Luke Atkins Chairman +618 9221 5019

