

EXPLORATION UPDATE Review of non bauxite minerals potential

HIGHLIGHTS

- **Stage 3 of geological review for the Company's tenements completed**
- **A number of potential target areas have been identified and prioritised according to prospectivity**
- **Target regions identified for Gold, Coal & Iron Ore**
- **The Company has determined that further in house work is justified to further refine the data set**
- **As a result of studies BRL has rationalised its tenement position by applying for one additional licence in the south west of WA, divesting 3 exploration licences in the South West and 8 licences in the Kimberley**

Perth-based bauxite explorer and developer, Bauxite Resources Ltd (**ASX: BAU**) ("**BRL**" or "**the Company**") is pleased to provide an update on exploration progress for non bauxite minerals within its exploration licence tenure in Western Australia. The Company holds granted and pending exploration licences over an area of approximately 25,000 km² in the highly prospective Darling Range in the south west of WA. The Company has two significant joint ventures for bauxite within this area and has retained rights to 100% of other minerals within its licences.

The Company is investigating the geological potential for non-bauxite commodities within the current tenement package. Multiple areas have been identified as potentially prospective for gold, coal or iron ore based on the Company's mineral targeting dataset and geophysical data obtained from the Geological Survey of WA. Due to the success of the work to date and the large data set that has been generated, the Company geologists have recommended that further review is justified.

As a consequence of the initial review results, the Company has decided to rationalise its tenement package in both the south west and the Kimberley. The Company has applied for an additional exploration licence in the south west of WA where the review has identified a possible sedimentary basin with a similar geophysical response to known coal bearing basins and has relinquished a number of other licences in the south west and the Kimberley.

The Company will immediately commence further exploration activities designed to refine a number of potential target areas and to confirm geological models. The majority of the work will be low cost being conducted "in-house" by Company geologists and will initially target the following outcomes;

1. Complete the compilation of data into a digital format for the two most prospective gold areas near Yerecoin and Beverley.
2. Carry out initial low level field activity designed to validate potential iron ore (haematite) targets.
3. Continue investigations into geological logging data from historical drilling made available by third parties.



Summary of Review findings:

GOLD:

The review identified a number of target regions in known greenstone belts, and areas with potential to contain remnant greenstones based on geophysical interpretation. Potential was also recognised for epithermal gold similar to a number of documented old workings. Individual target regions have been grouped into five broad geographic or project areas, namely Jimperding, Darling Fault, Boddington, Balingup and Biranup.

Points to note;

- More potential has been identified than envisaged and further review is required to properly assess and refine the areas identified.
- Initially, work will focus on the Jimperding project area, within two regions of interpreted greenstone, each ~50km long.
- Work will be carried out in house by BRL geologists and will focus on the incorporation of publicly available open file reports with GIS datasets with the aim to further refine the data set in order to identify specific geological targets within the areas identified.
- Geophysical data for the Biranup area is not yet available and no further work will be carried out in that area until the Geological Survey of WA has released aerial survey results early in 2013.

IRON ORE:

Iron ore targets based on geophysical interpretation were identified with a wide geographical spread across BRL tenure. It is believed that all may relate to magnetite bearing units, while two will be followed up with low level field work to investigate the possibility of haematite mineralisation.

COAL:

Possible coal target opportunities were identified principally based on geophysical signatures. Potential targets included:

- A Department of Water ("**DoW**") drill hole with coal identified in the logging,
- A number of interpreted sedimentary basins that may be investigated for the potential to host coal.
- A target west of Katanning was not within BRL tenure and the Company has immediately applied for an exploration licence over this area.

Priority areas of interest will be further assessed during the December 2012 quarter and an update will be provided once that work is complete.

For further information visit www.bauxiteresources.com.au or contact:

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COMPETENT PERSON STATEMENT

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