

DRILLING COMMENCED TO TEST FORTUNA PROSPECT ON 100% BRL BAUXITE TENURE

- Drilling commences to test the Company's Fortuna prospect located adjacent to 73.3Mt Felicitas bauxite resource
- Initial 10 holes indicate bauxite thickness comparable to that at Felicitas
- The Fortuna prospect is strategically located within 15 km of rail network and 100km to Kwinana port
- Planned strategy to focus on developing BRL's 100% owned bauxite to complement Bauxite Alumina Joint Venture activities

Bauxite Resources Limited ("BRL" or "the Company") is pleased to advise it has commenced a program of work on exploration licence E70/2230 (known as Fortuna), adjacent to the 73.3Mt Felicitas bauxite resource. The bauxite rights to the Fortuna prospect are entirely BRL's while the Felicitas resource forms part of the Company's joint venture with Yankuang Resources Pty Ltd, the Bauxite Alumina Joint Venture ("BAJV") in which BRL has a 30% interest.

BRL's Fortuna bauxite drilling program consists initially of approximately 300 vacuum drill holes on 160 x 80 metre spacing for an estimated 2,000 metres. Drilling is scheduled to be completed by end of March, 2013. The drilling program will cover an area of predominantly cleared farmland of approximately 320 hectares and is designed to test the lateral extension of the Felicitas bauxite deposit. Felicitas is considered to have further resource growth potential as drilling programs to date have only tested a proportion of mapped laterite within the project area. The Fortuna bauxite prospect areas to be tested are shown in Figure 1 below.

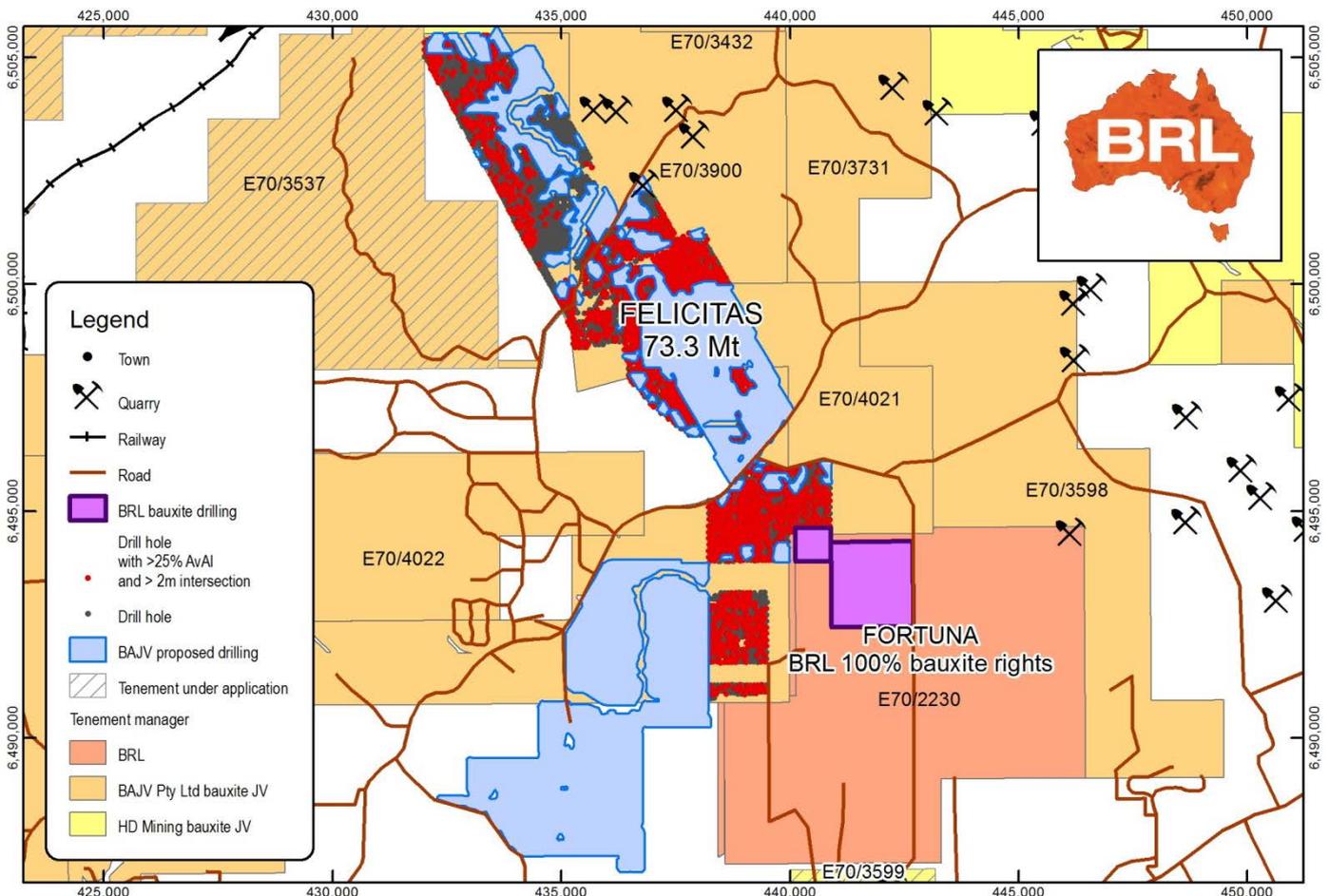


Figure 1: Fortuna drilling location map

The BRL Fortuna bauxite prospect area is:

- situated on a small number of private landholdings;
- located approximately 100km north east of Perth, being 10km from the town of Wundowie;
- existing rail infrastructure ~15km to the north, providing a link to Kwinana Port approximately 100km away

The Company considers exploration on Fortuna a significant step forward for the Company.



BRL drilling rig operating on cleared private farmland with bauxite outcropping at surface.

The Current Felicitas Resource Details

The Felicitas deposit is situated on granted exploration tenements E70/3159, E70/3900 and E70/4021. It is comprised of a bauxite horizon of 2m to 16m thickness that is typically covered by 0.5m to 2m of loose overburden. The initial resource estimate, completed by Runge Limited, was based on 3,624 vertical holes drilled for 24,085 metres on a nominal 80m x 80m drill pattern. The available alumina and reactive silica results quoted are based on low temperature bomb analysis (143°C), and the results indicate that the majority of alumina present is as the tri-hydrate mineral gibbsite.

The deposit exhibits relatively low reactive silica levels, and the ratios of available alumina to reactive silica of nearly 16:1 are considered to be suitable in either a low temperature or a high temperature refinery.

The deposit is considered to have further resource growth potential as drilling programs to date have yet to fully test the lateral extent of the mineralisation and it is therefore not closed off. Table 1 below provides the current (June 2012) JORC categorised bauxite resources at Felicitas.

Table 1: Current Felicitas Deposit Resource Classification (June 2012)

JORC Classification	Quantity ⁽²⁾ (000,000) tonnes	Al ₂ O ₃ (total) %	Al ₂ O _{3(av)} ⁽¹⁾ %	SiO _{2(r)} ⁽¹⁾ %	SiO _{2(total)} %	Al ₂ O _{3 (av)} : SiO _{2 (r)}
Indicated	20.9	39.2	30.6	1.5	5.8	20.4
Inferred	52.4	39.2	30.1	2.0	9.1	15.1
Total (Ind & Inf)	73.3	39.2	30.3	1.9	8.2	15.9

1. Available Al₂O₃ and reactive SiO₂ determined using Bomb test at 143°C to replicate low temperature Bayer process method
2. Al₂O_{3(av)} = available alumina, SiO_{2(r)}= reactive silica at 143°C
3. At 25% lower cut off grade Al₂O_{3(av)}

The Felicitas deposit is the largest of the resource bases that BAJV have defined within the northern Darling Range of Western Australia.

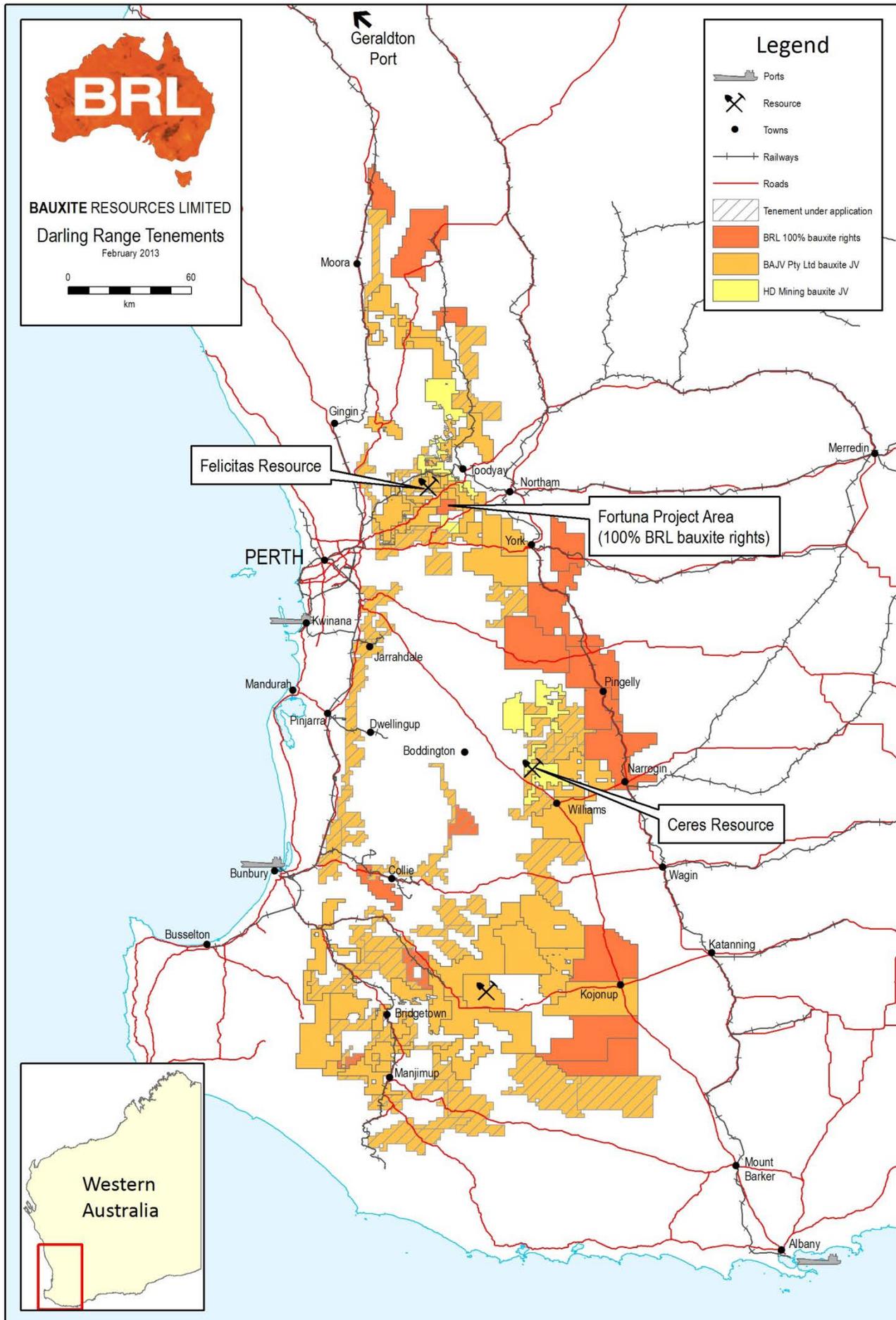
Location & Logistics

The **Felicitas deposit** is wholly contained within cleared farmland over which native title has been extinguished. It is approximately 10km north of Wundowie and 100km north northeast of Perth (Figure 2).

The **Fortuna project** area adjacent to Felicitas is situated on a small number of private landholdings that have been cleared for farming and grazing and readily accessible by roads. Importantly, access to the existing rail infrastructure does not require significant access to local roads for haulage.



Figure 2: Bauxite Resources Ltd tenement holding location map





About Bauxite Resources Ltd:

ASX code BAU

Bauxite Resources Ltd (“BRL” or the “Company”) is the largest tenement holder in the highly prospective Darling Range in southwest Western Australia with BRL tenements covering approximately 22,500km².

The Company has interests in a growing bauxite resource base, as previously reported at 142.3Mt, with excellent market opportunities in China as a result of recent Indonesian and Indian bauxite export curtailments.

During 2012, BRL increased the number of granted tenements, land access agreements and the number of Darling Range projects while at the same time demonstrating prudent financial management by maintaining high cash reserves to fund future growth projects.

The Darling Range is the world’s largest bauxite producing region and supplies 23% of the world’s alumina. Bauxite extraction in this area is a simple surface mining process, the gibbsitic ore is typically low in reactive silica requiring significantly less caustic soda additive, lower temperatures and lower pressures for alumina refining. Hence, alumina refineries in this region are amongst the lowest cost producing operations in the world.

The Company has two bauxite joint ventures over its Darling Range tenements:

HD Mining Joint Venture covers 1,000km² for bauxite exploration, HD Mining pay all tenement, exploration and BFS costs to earn a 60% share of mine output.

Bauxite Alumina Joint Venture (BAJV) with Yankuang Resources to explore and mine bauxite, and examine potential to build a 1.1Mtpa refinery subject to a BFS, site selection and regulatory approval. BAJV pay 70% of exploration for 70% of bauxite rights, 90% of refinery BFS costs and 91% of refinery construction for 70% alumina production.

For further company details please visit www.bauxiteresources.com.au or contact:

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COMPETENT PERSON STATEMENT

Felicitas Mineral Resources

The information in this report that relates to Mineral Resources 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 Runge Limited. 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 2004 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 relate to Exploration Information are based on information compiled by Mark Menzies a member of the Australian Institute of Geoscientists. Mr Menzies is a full time employee, and a qualified geologist with sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are 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 has consented to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.