

BAUXITE RESOURCES RAISES \$57 MILLION TO FUND NEXT PHASE OF GROWTH

Highlights

- Successful \$57 million capital raising through placement of 60 million shares at 95 cents.
- Capital to fund infrastructure enhancements to drive down costs in DSO Operations, increase shipping tonnages and towards a Refinery Bankable Feasibility Study.

The Board of Bauxite Resources Ltd (**ASX: BAU**) is pleased to announce that it has entered into mandate agreements with two brokers, Petra Capital (as Lead Manager) and BGF Equities, to place **60 million shares at 95 cents each** to Institutional and Sophisticated investors.

The capital raising has been completed and the brokers have firm commitments for the **\$57 million**. The raising was heavily oversubscribed and applications had to be scaled back to accommodate demand.

Last week BRL conducted investor briefings in Sydney and Melbourne and over the course of 3 days met with approximately 65 fund managers and institutions that were clients of Petra Capital and BGF Equities. The investor briefings were a resounding success with extremely strong interest expressed in BRL and its projects. As part of the meetings, BRL presented a summary of capital required to drive the cash costs in its DSO Operations down, increase its projected shipping tonnages and to conduct a Refinery Bankable Feasibility Study. The summary outlined in the Marketing Presentation released to the market on 8 September 2009 indicated that a range of \$40-\$60m could be used effectively to achieve the reduction in cash costs, increased projected tonnages and towards a Refinery Bankable Feasibility Study.

The very positive response to the briefings and consequent improvement in share price and volumes prompted the Board of BRL to proceed with an immediate capital raising. The Board resolved that it would raise \$57 million through the issue of 60 million shares at 95 cents and this amount would meet the Company's growth objectives.

The Board of BRL would like to thank both Petra Capital and BGF Equities for the professional manner in which they coordinated and assisted with the investor briefings.

The placement of the 60 million shares will require shareholder approval and BRL will shortly issue a Notice of Meeting requesting shareholder approval for the placement.

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