



BAUXITE RESOURCES TO APPEAL REGULATOR'S DECISION ON DISPROPORTIONATE LEVEL OF ENVIRONMENTAL ASSESSMENT FOR 6 MONTH MINING PROJECT

The Board of Bauxite Resources Ltd (**BRL or The Company**) (**ASX: BAU**) advises that in December 2009 it referred to the Environmental Protection Authority (EPA) for assessment its proposal to mine 1.2 million tonnes of bauxite on private farm land north of Bindoon, Western Australia, over a six month period from July 2010 (**The Referral – Mining Operations – Stephens Rd Bindoon**). This had followed the company's recent successful direct shipping of 120,000 tonnes of bauxite to China.

On Monday 29 March 2010, BRL received formal notification that the EPA has set the level of assessment on The Referral as a Public Environmental Review (PER) (**EPA decision**). The BRL board has taken advice, considered its options, and decided to appeal the EPA decision.

The Board considers the decision is irregular and disproportionate and that there are strong grounds to seek a review of the EPA decision. In particular the EPA decision appears to have been taken on the basis of BRL's potential future projects, rather than by reference to the relatively small scale minimal impact mining project referred to the EPA for consideration (23 hectares on parkland style farmland).

Mining at Stephens Rd, north of Bindoon would involve a low impact mining operation with shallow open pits (averaging 4 metres in depth), free digging with an excavator, with no blasting required. Upon completion of mining, the site would quickly be fully rehabilitated back to farmland pasture before the next growing season.

Mine to port transport impacts would be minimised by transporting the bauxite to the nearest railway siding for transport by rail to Kwinana Port, rather than road freighting ore direct to the port.

BRL made the mining proposal with the full support of the private landowner and has consulted extensively with other local landowners, community, infrastructure providers and other key stakeholders about this proposal. BRL has completed the interview process for the appointment of the 30 local people who would be employed at the company's operations and awarded major contracts to local suppliers, subject to mining commencing.

Commenting on the decision, Dan Tenardi, BRL Managing Director said:

"If this decision to set the level of assessment based on future aspirations is allowed to stand, it would put in jeopardy the timing of numerous resource development projects in Western Australia. It would certainly undermine confidence in the regulatory system".

"If new projects are assessed at such a high level on the basis of potential future expansion plans not currently before the EPA, industry would be looking at approvals taking an average of 2.4 years for every proposal referred. Such an approach would unacceptably constrain and burden the entire resources industry – it would cause unnecessary delays and increase the costs of obtaining primary environmental approvals in WA".

For personal use only

“We are being asked to go through a potential two year approvals process for a six month mining project”

“The advice we have received is that the Company has strong grounds to appeal the decision.”

“The Company will continue to work closely with the local communities and stakeholders and all levels of government to facilitate its mining operations in a responsible and timely manner”.

Background – Public Environmental Review

A PER is a structured process for proposals of local or regional significance raising a number of significant environmental factors. This level of assessment would require BRL to prepare an environmental scoping document, then a Public Environmental Review document. When the EPA is satisfied that this document has addressed all of the relevant environmental factors and studies, the document would be released for public review for a six week period.

In 2009, the average time taken for completed PER's was 2.4 years; The Environmental Protection Authority's website proposes that new PER's will take approximately 15 months.

Further information on the EPA's assessment process is available on the EPA website or on the following link: www.bauxiteresources.com.au.

Mr Dan Tenardi
Managing Director
Bauxite Resources Limited
Tel: (+61-8) 9200 6300

For further information please visit: www.bauxiteresources.com.au

For personal use only

