



## BAUXITE RESOURCES AND YANKUANG CORPORATION FORM JOINT VENTURE TO BUILD A PROPOSED ALUMINA REFINERY IN WESTERN AUSTRALIA

### KEY POINTS:

- Bauxite Resources Ltd and Yankuang Corporation have formed a joint venture company, Bauxite Resource Joint Venture, for a proposal to mine bauxite and construct and operate an alumina refinery in Western Australia.
- Bauxite Resources and its partner, Yankuang Corporation, have signed ten Detailed Agreements.
- The proposed refinery would produce 1.1 million tonnes per annum (Mtpa) of alumina and refine 3.5Mtpa of Darling Range bauxite.
- Subject to all necessary approvals and the decision by the parties to proceed under the Bankable Feasibility Study Yankuang will pay 91% of the refinery construction cost and receive 70% of the alumina product. Bauxite Resources will fund 9% of the refinery construction cost and receive 30% of the alumina product.
- Work towards site selection for the refinery will commence immediately.

Bauxite Resources Ltd (ASX: BAU) (“BRL” or “the Company”) is pleased to announce that it has executed a number of Detailed Agreements with Yankuang Corporation (“Yankuang”), for the design and construction of a modern refinery in the South West of Western Australia to refine Darling Range bauxite into alumina. The agreement to proceed to construction of the refinery is subject to all necessary government and regulatory approvals and satisfactory finding under the Bankable Feasibility Study.

Ten Detailed Agreements have been signed between BRL and Yankuang:

- Joint Venture Resource Agreement;
- Alumina Refinery Joint Venture Agreement;
- Shareholders Agreement (for Bauxite Resource Joint Venture Pty Ltd);
- Management Agreement for Joint Venture Resource Agreement;
- Management Agreement for Alumina Refinery Joint Venture Agreement;
- Rules for United Management Committee;
- Joint Venture Resource Agreement - Deed of Cross Charge;
- Alumina Refinery Joint Venture Agreement - Deed of Cross Charge;
- Voluntary Restriction Deed;
- BRL Subsidiaries Deed.

“These Detailed Agreements represent a significant step forward with Yankuang and towards the development of the proposed refinery in Western Australia,” said Bauxite Resources Limited Chairman, Mr Barry Carbon.

Yankuang has agreed to fund 91% of the refinery’s construction costs in return for 70% of the alumina product.

BRL will pay for 9% of construction costs, receive 30% of the alumina product and receive assistance from Yankuang to arrange financing. Yankuang will off-take half of BRL’s share of alumina production for ten years.

Shareholders voted overwhelmingly in favour of the agreement at the Annual General Meeting (“AGM”) on 25 November 2010. The agreement is subject to the Australian Foreign Investment Review Board.

**ENDS**

**For further information** visit [www.bauxiteresources.com.au](http://www.bauxiteresources.com.au) or contact:

**INVESTORS**

**Bauxite Resources Limited**

Paul Fromson  
Chief Financial Officer / Company Secretary  
Tel: +61 8 9200 6300  
E: [pfromson@bauxiteresources.com.au](mailto:pfromson@bauxiteresources.com.au)

**MEDIA**

**Bauxite Resources Limited**

Chantelle O’Sullivan  
Public Affairs Manager  
Tel: +61 8 9200 6309  
E: [chantelle.osullivan@bauxiteresources.com.au](mailto:chantelle.osullivan@bauxiteresources.com.au)

**Professional Public Relations**

David Tasker  
Tel: +61 8 9388 0944

**Yankuang Corporation in Brief**

- Yankuang Corporation has coal mining, coal-based chemicals, machinery manufacturing, electricity generation and aluminium as its main businesses.
  - Yankuang Corporation has total assets of AU\$18 billion.
  - Yankuang owns or has controlling stakes in 37 subsidiaries with a staff of 94,000. Its Coal Mining Company (Yan Coal) is listed on New York, Hong Kong and Shanghai stock exchanges. The annual output of coal is about 60 million tonnes.
  - The Yankuang Electricity & Aluminium Company has 9 power stations with a capacity of 527MW; the biggest power producer of its kind in China.
  - The Yankuang smelter has an annual production capacity of 140,000 tonnes of aluminium and 100,000 tonnes of baked anode for aluminium production purposes. The fabrication plant is designed to extrude 133,000 tonnes of aluminium and cast 14,500 tonnes of ingot each year.
  - In Australia Yankuang through Yanzhou Coal owns Felix Resources.
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