

**AUSTRALIAN BAUXITE LIMITED**

ASX: ABX

**High grade ABx maiden cargo. Payment completed on schedule.**

Australian Bauxite Limited (ABx) is pleased to announce the high grades of its maiden cargo of 5,557 tonnes of cement-grade bauxite that was despatched from Bell Bay Port in northern Tasmania on 28 April 2016. Full payment has been received on schedule, thus concluding the first sale of bauxite from ABx's Bald Hill mine - the first new bauxite project in Australia for more than 35 years.

**Specifications of the shipped bauxite**

The delivered product exceeded the offered specifications in line with our policy of under promising and over delivering: Sampling by independent experts has returned the following specifications:

<b>Tonnage Shipped</b>	<b>5,557</b>	gross metric tonnes	
Moisture	<b>8.8%</b>		
Powder less than 2.5mm	<b>8.0%</b>	of total shipload by weight	
Shipping specification	<b>Group C</b>	non-hazardous, stable. Triple confirmation	
<b>Major Elements</b>	<b>Delivered</b>	<b>Offered</b>	<b>Improvement</b>
Al <sub>2</sub> O <sub>3</sub>	<b>42.80%</b>	42%	0.80%
SiO <sub>2</sub>	<b>4.46%</b>	5.88%	1.42%
Fe <sub>2</sub> O <sub>3</sub>	<b>24.40%</b>	24.80%	0.40%
TiO <sub>2</sub>	<b>2.72%</b>	2.90%	0.18%
LOI - loss on ignition	<b>25.02%</b>	24%	1.02%

Complete specifications of the shipped cargo are included in the Appendix.

The customer's preparations for the second shipment of 30,000 to 40,000 tonnes are progressing satisfactorily with the large stockpile site in the receiving port being set up to receive bauxite. This is planned to occur within 2 months. The sale price is satisfactorily profitable but remains commercial-in-confidence at this time.

Continuing sales will allow ABx to continue to fund the company's growth from revenues, including the funding of research and development (R&D) into TasTech technology which allows ABx to separate Tasmanian bauxite into the 3 constituent product-types (see Figures 2 & 3):

1. High grade, ultra-cleaned metallurgical-grade bauxite for the aluminium industry;
2. Cement-grade bauxite for the manufacture of certified, high specification cement; and,
3. Fertiliser-grade bauxite for the fertiliser industry.

Due to the downturn in the market for metallurgical bauxite used in the aluminium industry, ABx has taken steps since December to conserve cash until its balance sheet strengthens from sales of cement-grade bauxite and other income. This includes a temporary suspension of production and haulage of bauxite products from its Bald Hill Bauxite Project at Campbell Town, Tasmania.

Once additional sales contracts are finalised, ABx and its contractors can reopen the Bald Hill Bauxite Project within two weeks. Rehabilitation work and sales of bauxite from existing stockpiles at the mine will continue and the mine can quickly ramp-up bauxite production without delay.

Negotiations with 3 new potential customers have commenced since the maiden shipment.

**For further information please contact:**

Ian Levy, CEO and MD  
Australian Bauxite Limited

Telephone: +61 (0) 2 9251 7177  
Mobile: +61 (0) 407 189 122



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**About Australian Bauxite Limited****ASX Code ABX****Latest News: [www.australianbauxite.com.au](http://www.australianbauxite.com.au)**

Australian Bauxite Limited (ABx) has started its first bauxite mine in Tasmania and holds the core of the Eastern Australian Bauxite Province. ABx's 37 bauxite tenements in Queensland, New South Wales & Tasmania exceed 5,000 km<sup>2</sup> and were rigorously selected for (1) good quality bauxite; (2) near infrastructure connected to export ports; & (3) free of socio-environmental constraints. All tenements are 100% owned, unencumbered & free of third-party royalties.

ABx's discovery rate is increasing as knowledge, technology & expertise grows.

The Company's bauxite is high quality gibbsite trihydrate (THA) bauxite & can be processed into alumina at low temperature.

ABx has declared large Mineral Resources at Inverell & Guyra in northern NSW, Taralga in southern NSW, Binjour in central QLD & in Tasmania confirming that ABx has discovered significant bauxite deposits including some of outstandingly high quality.

In Tasmania, at Bald Hill, the Company's first bauxite mine commenced operations on schedule on 9 December 2014 – the first new Australian bauxite mine for more than 35 years.

ABx aspires to identify large bauxite resources in the Eastern Australian Bauxite Province, which is emerging as a globally significant bauxite province. ABx has created significant bauxite developments in 3 states - Queensland, New South Wales and Tasmania. Its bauxite deposits are favourably located for direct shipping of bauxite to both local and export customers.

**ABx endorses best practices on agricultural land, strives to leave land and environment better than we find it.**

**We only operate where welcomed.**

**Directors / Officers**

Paul Lennon	Chairman	Leon Hawker	Chief Operating Officer
Ian Levy	CEO & MD	Rob Williams	General Manager
Ken Boundy	Director	Jacob Rebek	Chief Geologist
Henry Kinstlinger	Secretary		

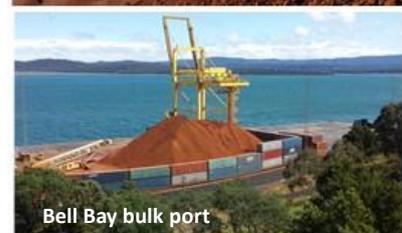
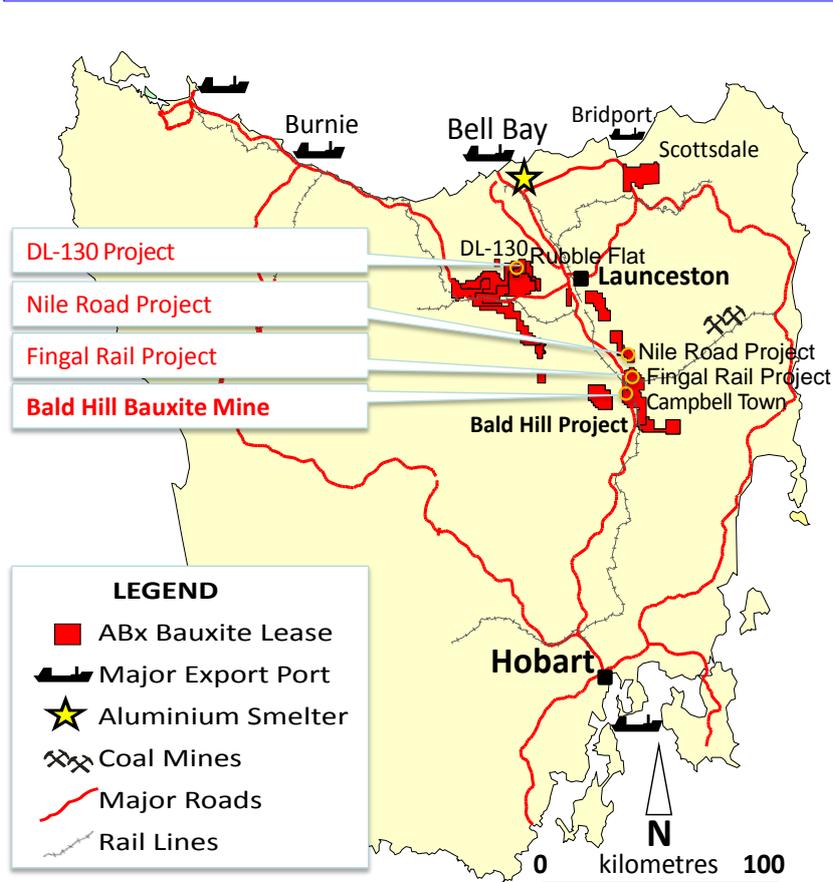


Figure 1

Map showing ABx mines and transport infrastructure in Tasmania, Australia. Pictures show (top to bottom):

1. Simple open pit mining at Bald Hill Bauxite Project near Campbell Town, northern Tasmania;
2. High quality rail transport from the Bald Hill mine to the Bell Bay Port by TasRail;
3. Efficient, low-dust transfer onto the berth stockpile at Port by QUBE Ports stevedores; and
4. The port stockpile of ABx bauxite which currently exceeds 35,000 tonnes.

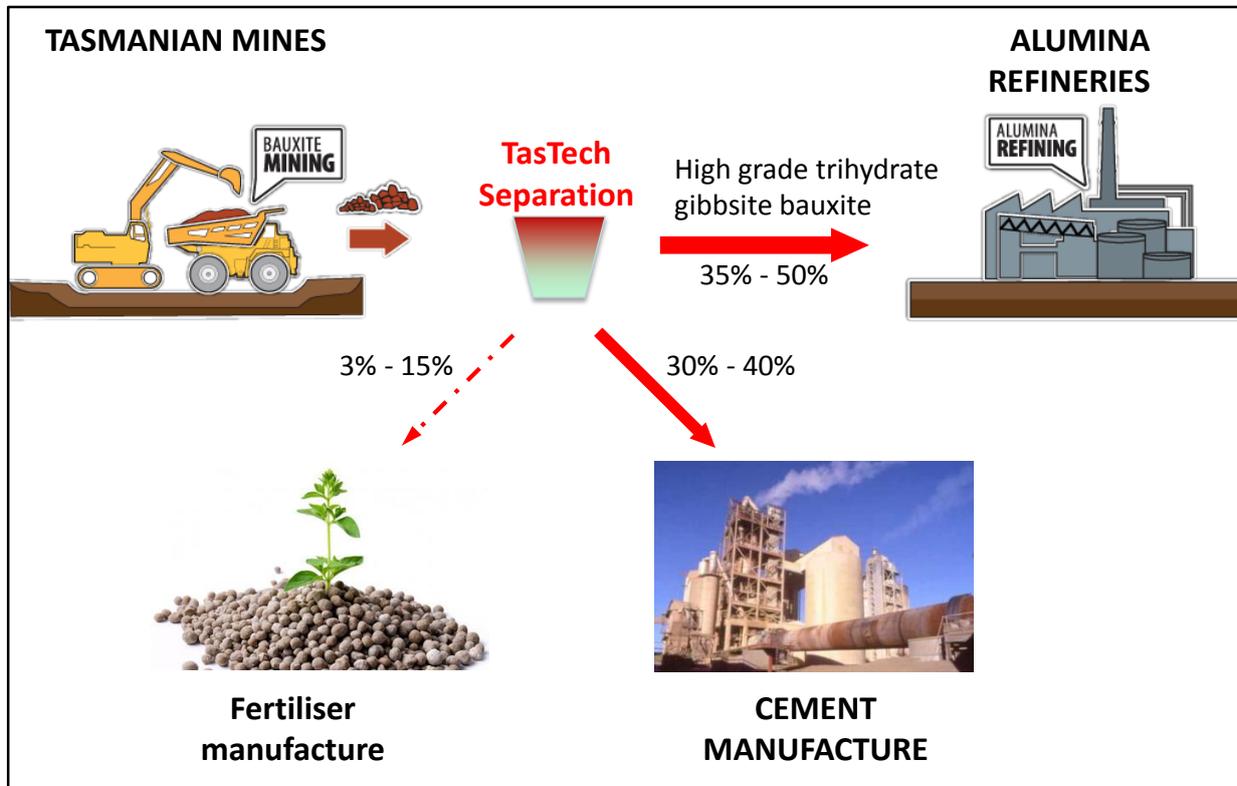


Figure 2

**TasTech's Role in ABx Marketing Strategy:** TasTech is a low-cost, 3-stage physical process that separates Tasmanian bauxite into its 3 constituent product-types, namely:

1. High grade, ultra-clean metallurgical-grade bauxite for the aluminium industry;
2. Cement-grade bauxite for the manufacture of certified, high specification cement; and,
3. Fertiliser-grade bauxite for the fertiliser industry.

**Qualifying statements**

The information in this report that relates to Exploration Information is based on information compiled by Jacob Rebek and Ian Levy who are members of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Rebek and Mr Levy are qualified geologists and Mr Levy is a director of Australian Bauxite Limited.

Mr Rebek and Mr Levy have 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Rebek and Mr Levy have consented in writing to the inclusion in the report of the Exploration Information in the form and context in which it appears.

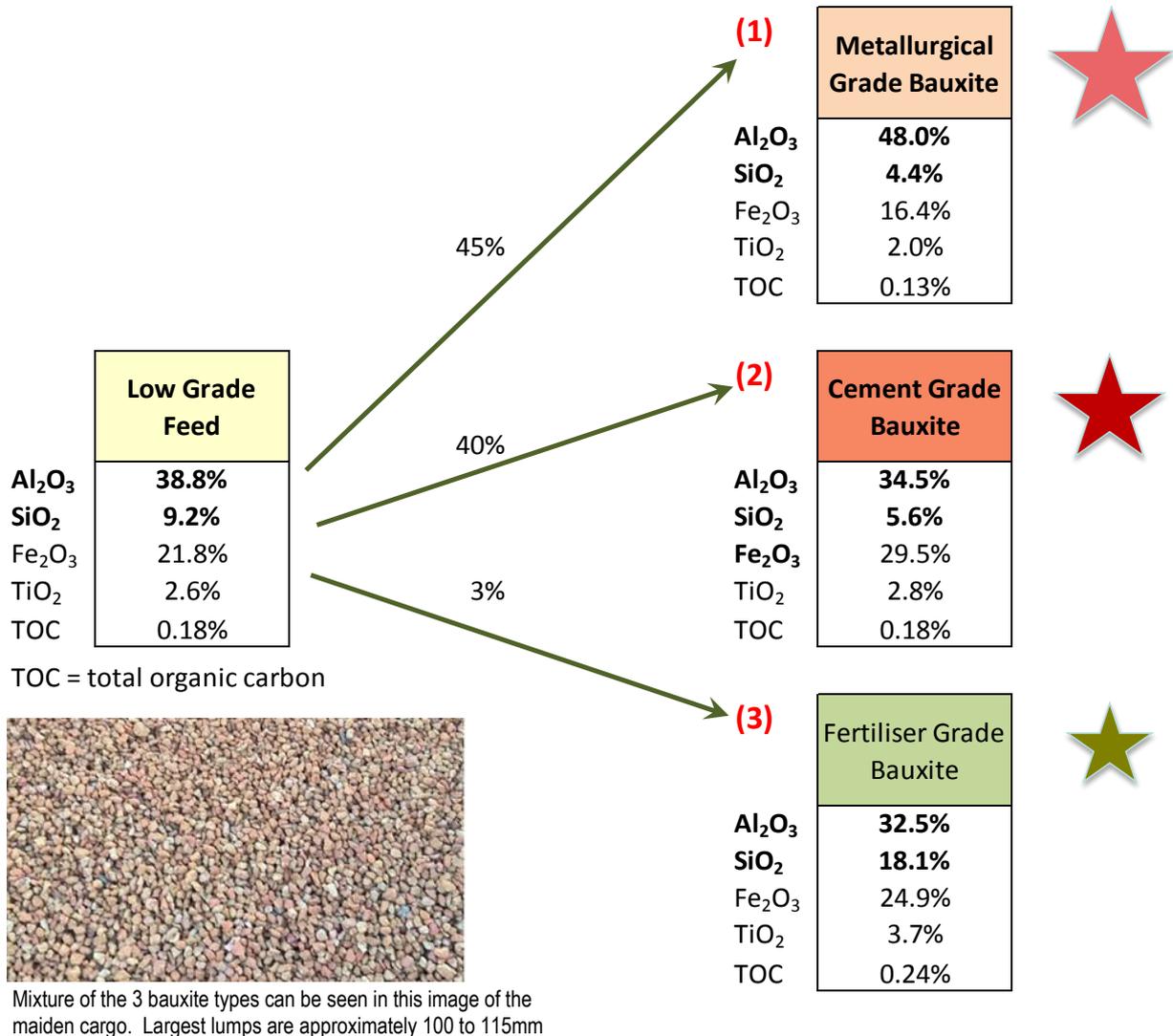


Figure 3

Recent test results from TasTech separation of bauxite from Bald Hill into its 3 constituent product-types, namely:

1. High grade, ultra-clean metallurgical-grade bauxite for the aluminium industry;
2. Cement-grade bauxite for the manufacture of certified, high specification cement; and,
3. Fertiliser-grade bauxite for the fertiliser industry.

TasTech can adjust settings to produce certified bauxite products to suit the customers' specifications.

For further information please contact:

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## Appendix

### Bauxite Specifications as Shipped

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<b>Major Elements</b>	<b>Delivered</b>	<b>Offered</b>	<b>Improvement</b>
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<b>Minor &amp; Trace Elements</b>	
CaO	0.02%
MgO	0.06%
SO <sub>3</sub>	0.31%
Na <sub>2</sub> O	0.02%
K <sub>2</sub> O	0.01%
MnO	0.03%
P <sub>2</sub> O <sub>5</sub>	0.03%
V <sub>2</sub> O <sub>5</sub>	0.06%
SrO	0.01%
Cr <sub>2</sub> O <sub>3</sub>	0.06%
Zn	0.01%
ZrO <sub>2</sub>	0.03%

### Metallurgical bauxite parameters

Reactive "Rx" SiO <sub>2</sub> at 140 deg C	3.92%	: Quartz content= 0.54%
Available "Avl" Al <sub>2</sub> O <sub>3</sub> at 140 deg C	36.6%	
Non-available, non-clay Al <sub>2</sub> O <sub>3</sub>	2.88%	in spinel, minor in goethite & trace as boehmite
Total organic carbon (TOC)	< 0.15%	
Rapid settling in refinery liquors and red mud tailings		
Excellent refinery liquor clarities with low flocculent required. Helps reduce frothing in circuit		
Contains no radioactive or fibrous components.		
Clean handling, ideal for transport on land or sea. See <a href="https://www.youtube.com/watch?v=tqSNioU9gEc">https://www.youtube.com/watch?v=tqSNioU9gEc</a> .		
High angle of repose (35 to 45 degrees) in stockpiles		
Bulk density in stockpile	1.35 to 1.40	tonnes per broken cubic metre

### Cement-grade bauxite parameters

Sodium Equivalence	0.03%
Alumina Ratio "AM"	1.75
Silica Ratio "SM"	0.07
C <sub>3</sub> A (tricalcium aluminate)	72.14%
C <sub>4</sub> AF (tetracalcium aluminoferrite)	74.25%
Contains no radioactive or fibrous components.	
Clean handling, ideal for transport on land or sea. See <a href="https://www.youtube.com/watch?v=tqSNioU9gEc">https://www.youtube.com/watch?v=tqSNioU9gEc</a> .	
High angle of repose (35 to 45 degrees) in stockpiles	
Bulk density in stockpile	1.35 to 1.40 tonnes per broken cubic metre

### Particle size distribution "PSD" and moistures from 25 Sub-Lot samples (1 sample per 200 tonnes)

Moisture & PSD determinations done in 3 separate laboratories	ABx Laboratory	Briar Maritime Laboratory	ALS Laboratory Burnie Tas.	Agreed Values (Maximum)
<b>Powder less than 2.5mm</b>	8.0%	6.3%	--	<b>8.0%</b>
<b>Moisture</b>	8.5%	7.4%	8.8%	<b>8.8%</b>