

Tripartite MOU with Tianshan Aluminium – Binjour, QLD

- **ABx, Rawmin & Tianshan Aluminium have executed an MoU for the sale of 0.5 to 1.5 million tonnes per year of bauxite from Binjour Project, Queensland**
- **Trial mining site has been selected for Binjour Project**
- **Contractors for Trial Mining have been selected**

Emerging bauxite producer, Australian Bauxite Limited (**ABx, ASX Code ABX**) considers its Binjour Project located 115kms southwest of Bundaberg Port (see Figure 1) to be the best source of gibbsite-trihydrate (THA) bauxite in Queensland that is suitable for low-temperature alumina refineries and sweetener circuits in some high-temperature refineries.

Since discovering Binjour in 2011-12, ABx has expanded the size of the resources and worked with landholders, local government, state government, port authorities and logistics companies to develop a viable strategy for developing the Binjour Bauxite Project. Significant progress has been made with logistical solutions to deliver bauxite onto large bulk carrier ships at the Port of Bundaberg.

Subject to satisfactory results from the planned trial mining and processing testwork at Binjour, ABx and its marketing partner, Rawmin Mining and Industries Pvt. Ltd (Rawmin) are planning to commit to project development in late 2019, commencing with a mining lease application.

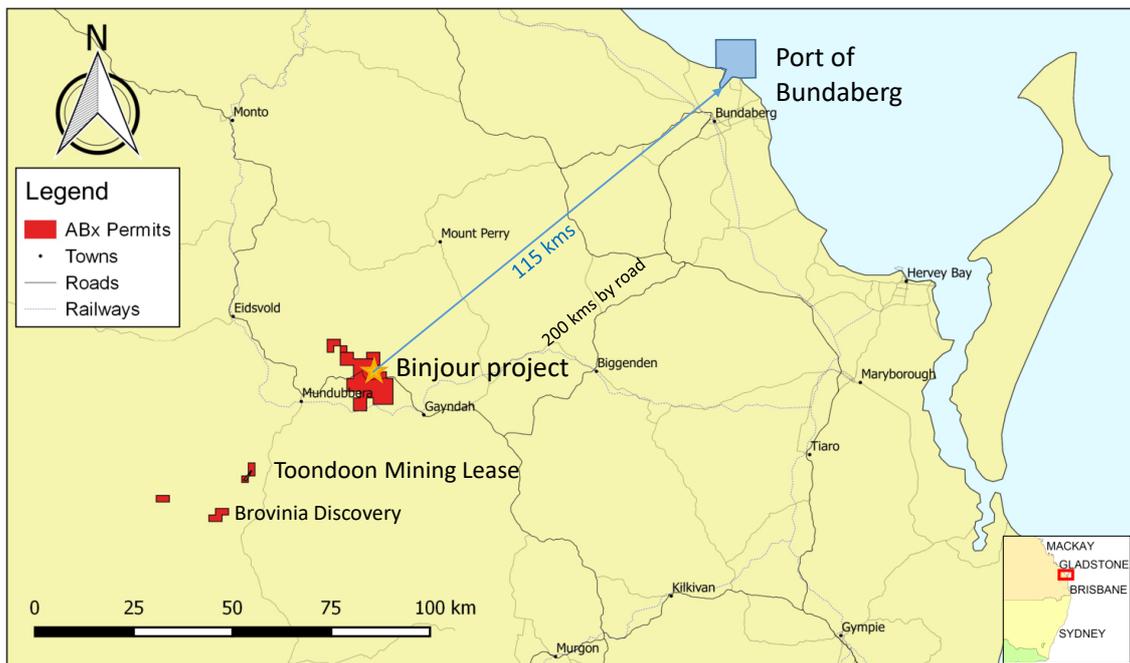


Figure 1: Location of Binjour Bauxite Project, Toondoon Bauxite Mining Lease & Brovinia Bauxite Discovery

Memorandum of Understanding Terms

A delegation from Tianshan Aluminium Co.Ltd (Tianshan) reviewed the Binjour project and held meetings with government and port authorities in August 2018. Negotiations progressed with a Memorandum of Understanding now finalised for the delivery of bauxite from ABx's bauxite mines in Australia and from Rawmin's bauxite mines in India to Tianshan's new low temperature refinery in southern China, which is nearing completion. The planned combined tonnage commences at 0.5 million tonnes, growing to more than 1.0 million tonnes.



Seasonal Complementation

Binjour project will be at maximum production during the Queensland Dry Season from April to November. ABx's bauxite mines in Tasmania achieve optimum production in Summer from December to May. Rawmin's bauxite mines in north-western India achieve maximum production in the Indian dry season from November to May but are restricted by the Monsoon months June to September each year,

Coordinated production and shipments from all 3 sets of mines will achieve a reliable year-round delivery to the customer of bauxite at a consistent specification.

Bauxite Specifications

Bauxite Parameters	Australia	India
Al ₂ O ₃	42 % - 44 %	42 % - 44 %
SiO ₂	4 % - 6 %	6 % - 8 %
R- SiO ₂	3.5 % - 5.5 %	5.5 % - 7.5 %
Fe ₂ O ₃	26 % (Max)	25 % (Max)
CaO	0.5 % (Max)	3 % (Max)
TiO ₂	4.5 % (Max)	3.5 % (Max)
MHA (Monohydrate)	2 % (Max)	2 % (Max)
Moisture	10% (Max)	10% (Max)
Size	0 -100mm	0 -100mm

Table 1: Target bauxite specifications for sales contracts

All bauxite is gibbsite-rich trihydrate (THA) bauxite with very low content of the monohydrate alumina minerals boehmite and diasporite which require high temperature refining. These bauxite specifications in Table 1 are ideally suited for low-temperature alumina refineries.

Bauxite Pricing

Sales will be done at market prices prevailing at the time of sale, based on a mutually acceptable price index.

Port Agreement

An MoU Agreement for access to the preferred stockpile site at the Port of Bundaberg is well advanced.

Engineering studies are in progress regarding the port stockpile, handling and shipping to ensure the port can handle the planned tonnages of bauxite from the Binjour Project without impacting negatively on any other port user.

The port MoU is expected to be concluded during April-May.

TRIAL MINING SITE SELECTED

Senior staff from ABx have recently held discussions with private landholders about access to a site where the Binjour bauxite layer occurs at surface and contains a spectrum of medium-grade bauxite grades that are suitable for conducting trial mining to assess:

1. Mineability – hardness, density in-situ, moisture, size distribution
2. Optimum method for grade control to identify and discard clay-rich layers
3. Screening performance, yield, size distribution, grade upgradeability
4. Handling characteristics, angle of repose, stockpile density
5. Trucking performance
6. Rehabilitation characteristics, regeneration rates, soil nature

Variability of grades and thicknesses of bauxite will be assessed for resource estimation purposes.

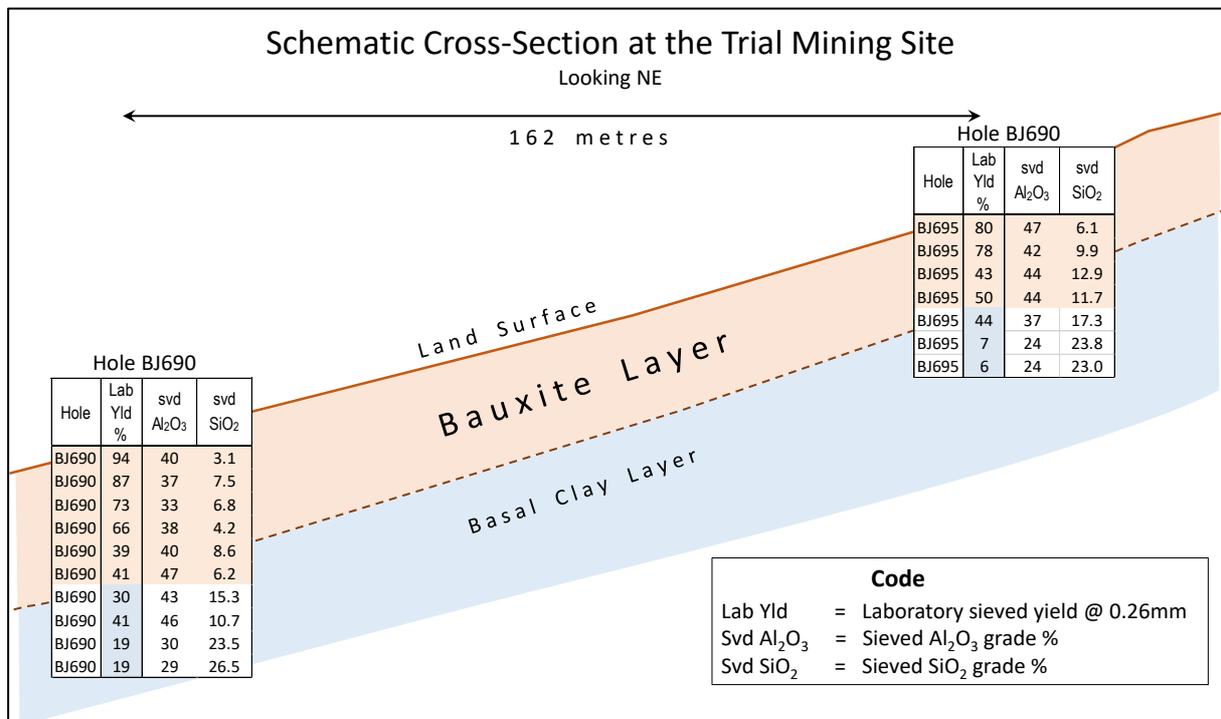


Figure 2: Schematic Cross-Section at the Trial Mining Site

Drillhole samples are 1 metre spacing

Discussions with local mining and screening contractors have succeeded in assembling the suite of equipment needed to carry out the required trial mining, grade control and screening performance testwork. ABx recruits employees locally and to work with local contractors as much as practicable.

The paramount company policy is that:

ABx endorses best practices on agricultural land, strives to leave land and environment better than we find it.
We only operate where welcomed.

For further information please contact:

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Resource Statement, Definitions and Qualifying Statement

Tabulated below are the Mineral Resources for each ABx Project. The initial ASX disclosure for these Resources is given in the footnotes to the table. Refer to these announcements for full details of resource estimation methodology and attributions.

Table 2: ABx JORC Compliant Resource Estimates

Region	Resource Category	Million Tonnes	Thickness (m)	Al ₂ O ₃	SiO ₂	A/S	Fe ₂ O ₃	TiO ₂	LOI	Al ₂ O ₃ Avl	Rx SiO ₂	Avl/Rx	% Lab Yield	O'Burden (m)	Int.Waste (m)
				%	%	ratio	%	%	%	@ 143°C %	%	ratio	%	(m)	(m)
CAMPBELL TOWN AREA TASMANIA ⁷	Inferred	1.3	3.0	42.6	3.5	12	25.4	3.5	24.6	36.7	3.0	12	50	2.1	0.1
	Indicated	1.4	3.2	42.5	3.2	14	26.4	3.0	24.5	36.2	2.8	14	55	1.8	0.1
	Total	2.7	3.1	42.5	3.3	13	25.9	3.3	24.5	36.5	2.9	13	52	2.0	0.1
Fingal Rail Cement-Grade Bauxite ⁸	Inferred	2.4	3.3	30.9	19.5	-	35.4	3.9	16.7	-	-	-	-	1.9	0.1
	Indicated	3.9	3.8	31.1	19.0	-	35.2	4.0	16.9	-	-	-	-	1.7	0.1
	Total	6.3	3.6	31.0	19.2	-	35.3	4.0	16.8	-	-	-	-	1.8	0.1
DL-130 AREA TAS ¹	Inferred	5.7	3.8	44.1	4.3	10	22.8	3.1	25.0	37.6	3.2	12	55	1.5	0.1
	Total Tas	14.7	3.6	38.2	10.5	n.a.	28.7	3.5	21.4	n.a.	n.a.	n.a.	54	1.7	0.1
BINJOUR QLD ² DSO, Screen & Cement	Inferred	14.2	4.3	40.7	7.3	6	24.7	4.3	22.1	32.3	6.7	5	80	8.5	0.3
	Indicated	22.8	4.0	33.5	19.2	2	24.9	4.2	16.8	15.8	17.4	1	63	6.6	0.3
	Total	37.0	4.1	44.1	3.6	12	23.1	3.7	24.6	39.0	3.0	13	61	8.9	0.3
TOONDOON QLD ³	Inferred	3.5	4.9	40.2	7.2	6	25.3	4.9	21.7	32.8	5.2	6	67	1.5	0.0
TARALGA S. NSW ⁴	Inferred	9.9	3.1	40.4	5.7	7	24.6	4.1	22.2	35.2	1.9	18	54	0.1	0.2
	Indicated	10.2	3.7	41.3	5.3	8	25.9	4.0	22.9	36.1	1.9	19	55	0.7	0.4
	Total	20.1	5.6	40.8	5.5	7	25.3	4.0	22.6	35.7	1.9	19	55	0.5	0.3
	PDM-DSO [*] Inferred	7.6	2.5	37.0	6.0	6	38.4	3.5	13.3	22.1 [*]	1.3	17	72	0.2	0.1
	Indicated	10.3	3.1	37.6	3.9	10	40.4	3.7	13.5	22.4 [*]	1.1	20	71	0.7	0.4
Total Taralga	17.8	5.8	37.3	4.8	8	39.6	3.6	13.5	22.3 [*]	1.2	18	72	0.5	0.3	
Total Taralga	37.9	5.7	39.2	5.2	8	32.0	3.8	18.3	35.4	1.6	23	63	0.5	0.3	
INVERELL N. NSW ⁵	Inferred	17.5	4.7	39.8	4.8	8	27.7	4.3	22.2	31.0	4.2	7	61	2.3	
	Indicated	20.5	4.8	40.6	4.7	9	26.9	4.1	22.5	32.0	4.0	8	60	2.4	
	Total	38.0	4.8	40.2	4.7	9	27.3	4.2	22.4	31.6	4.1	8	61	2.4	
GUYRA N. NSW ⁶	Inferred	2.3	4.2	41.4	3.6	12	26.2	3.3	24.6	35.0	2.8	13	56	3.4	
	Indicated	3.8	5.9	43.1	2.6	16	27.3	3.9	24.5	37.4	2.0	18	61	4.4	
	Total	6.0	5.3	42.5	3.0	14	26.9	3.7	24.5	36.5	2.3	16	59	4.0	
GRAND TOTAL ALL AREAS		137.1													

^{*} PDM is Al₂O₃ spinel. Al₂O₃ Avl at 225°C is >35%

Explanations: All resources 100% owned & unencumbered. Resource tonnage estimates are quoted as in-situ, pre mined tonnages. All assaying done at NATA-registered ALS Laboratories, Brisbane.
Chemical definitions: Leach conditions to measure available alumina "Al₂O₃ Avl" & reactive silica "Rx SiO₂" is 1g leached in 10ml of 90gpl NaOH at 143°C for 30 minutes. LOI = loss on ignition at 1000°C. "Avl/Rx" ratio is (Al₂O₃ Avl)/(Rx SiO₂) and "A/S" ratio is Al₂O₃/SiO₂. Values above 6 are good, above 10 are excellent. Tonnage is for bauxite in-situ. **Lab Yield** is for drill dust samples screened by ALS lab at 0.26mm. Production yields are not directly related and are typically between 60% and 75%. Tonnages requiring no upgrade will have 100% yield. **Resource estimates exclude** large tonnages of potential extensions, overburden & interburden detrital bauxite and underlying transitional bauxite mineralisation. Production will clarify these materials.

The information above relates to Mineral Resources previously reported according to the JORC Code (see Competent Person Statement) as follows:

- ¹ Maiden Tasmania Mineral Resource, 5.7 million tonnes announced on 08/11/2012
- ² Binjour Mineral Resource, 37.0 million tonnes announced on 18/06/2018)
- ³ QLD Mining Lease 80126 Maiden Resource, 3.5 million tonnes announced on 03/12/2012
- ⁴ Goulburn Taralga Bauxite Resource Increased by 50% to 37.9 million tonnes announced on 31/05/2012
- ⁵ Inverell Mineral Resource update, 38.0 million tonnes announced on 08/05/2012
- ⁶ Guyra Maiden Mineral Resource, 6.0 million tonnes announced on 15/08/2011
- ⁷ Initial resources for 1st Tasmanian mine, 3.5 million tonnes announced on 24/03/2015
- ⁸ Resource Upgrade for Fingal Rail Project, Tasmania announced on 25/08/2016

Tabulated Resource numbers have been rounded for reporting purposes. The Company conducts regular reviews of these Resources and Reserve estimates and updates as a result of material changes to input parameters such as geology, drilling data and financial metrics.

Global Mineral Resources declared to 18/06/2018 total 137.1 million tonnes.

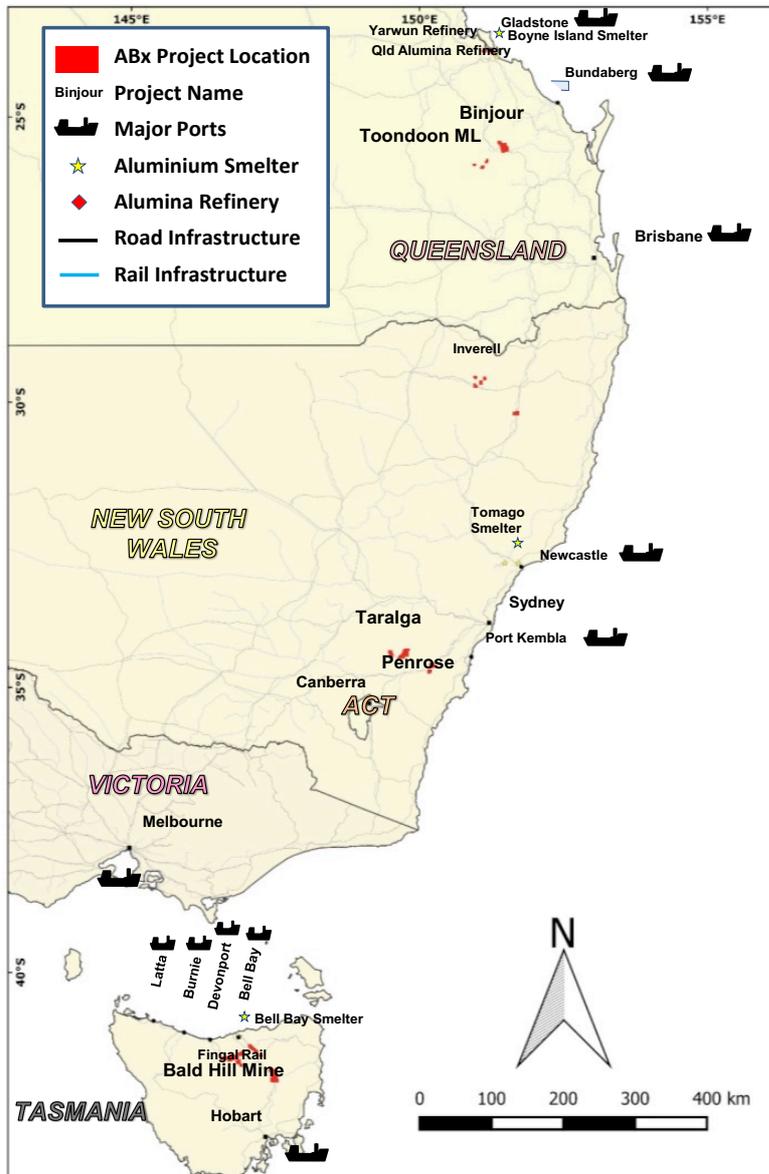


Figure 6

ABx Project Tenements & Major Infrastructure in ABx's major bauxite project areas nearest export ports in Eastern Australia as follows, from south to north:

1. Northern Tasmania, south of Bell Bay Port of Launceston
2. Southern NSW Taralga & Penrose pine forest west of Port Kembla
3. Central Queensland based on the major Binjour Bauxite Project, southwest of Port of Bundaberg

About Australian Bauxite Limited

ASX Code **ABX**

Web: www.australianbauxite.com.au

Australian Bauxite Limited (ABx) has its first bauxite mine in Tasmania and holds the core of the Eastern Australian Bauxite Province. ABx's 22 bauxite tenements in Queensland, New South Wales & Tasmania exceed 1,975 km² and were 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 that can be processed into alumina at low temperature.

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

At Bald Hill near Campbell Town, Tasmania, the Company's first bauxite mine commenced operations in December 2014 – the first new Australian bauxite mine for more than 35 years. 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

Paul Lennon	Chairman
Ian Levy	CEO & MD
Ken Boundy	Director
Henry Kinstlinger	Company Secretary

Officers

Leon Hawker	Chief Operating Officer
Jacob Rebek	Chief Geologist
Paul Glover	Logistics & Exploration Manager