



AUSTRALIAN BAUXITE LIMITED

ASX ANNOUNCEMENT

24 July 2018

ASX: ABX

ALCORE Limited

AlF₃ for Aluminium smelters & Lithium ion batteries. Corethane: clean as gas, cheap as coal

ALCORE Limited Seed Capital Secured & Site Works Commenced for Stage 1 Refining Bauxite into Aluminium Fluoride

Australian Bauxite Limited (ABx) is pleased to announce that its wholly-owned subsidiary, ALCORE Limited has secured the minimum funding needed to commence Stage 1 of the ALCORE Project. Site construction works commenced on 1 July as planned at ALCORE's pre-approved Pilot Plant site in Berkeley Vale, Central Coast NSW for the production of AlF₃ test samples.

Summary:

- The Research Site for Stage 1 was occupied 1 July 2018 on schedule – see Appendix. Factory spaces were cleared of components not needed for ALCORE's Stage 1 Pilot Plant, walls panelled & painted. Floors are now levelled and patched for application of reagent-safe sealants to allow engineering measurements for final plant sizing so that fabricated components and modules fit safely.
- ALCORE technology is designed to refine raw bauxite to produce Aluminium Fluoride (AlF₃) and other valuable co-products from ABx bauxite – see Figure 1.
- The Board of ALCORE Limited is shown in Figure 2. Site employees have been recruited and more will be recruited over coming weeks and months as the project develops
- Stage 1 site operation budget is \$2.5 million at the approved research site (see Appendix)
- Stage 1 commences with the production of AlF₃ test samples and then production of Corethane, which is pure hydrocarbon powder refined from low-value coals
- Corethane has been used to provide thermal and electrical power and also been used several times as a gas-substitute in gas turbine electrical generators, and used as a diesel substitute for fuel security purposes. Corethane also has industrial applications and several potential customers have already requested test samples for their industrial plants.
- Discussions continue with governments, agencies and major companies in the aluminium industry

ABx CEO, Ian Levy Comments:

"This is the beginning of a powerful new bauxite refining technology which will commence as an important supplier of key AlF₃ products for the Australasian aluminium smelters and producing silica fume for the cement industry, then develop Corethane pure hydrocarbons for energy and fuel security.

"Upside potential includes expanding the product range to AlF₃ for Lithium-ion batteries, iron and titanium-based pigments and then developing ultra-pure products such as high purity alumina ("HPA") for the manufacture of scratch-resistant sapphire glass for phones and computer screens."

"ABx continues the development of its three core bauxite projects, namely the Tasmanian mine and the large Binjour Project in central QLD and the Penrose refractory bauxite project 90km inland of Port Kembla NSW. Creating ALCORE Limited as a project-specific subsidiary is expected to unlock considerable value for shareholders in both the short and medium terms."



Figure 1: Summary of the ALCORE Business Strategy

ALCORE Board 2

 <p>Paul Lennon AO Chairman, Australian Bauxite Limited (ABx) Premier of Tasmania 2004-2008 Specialist industry advisor</p>	 <p>Henry Kinstlinger Company Secretary Company Secretary of ABx & ROIL</p>	
 <p>Derek Firth MNZM Chairman, Refined Ore Industries Limited (ROIL) Former Senior Partner Simpson Grierson (NZ Lawyers) Specialist construction and energy lawyer</p>	 <p>Rex Adams Former partner & mining analyst, Blue Ocean Equities, Brokers</p>	

Advisory Committee

 <p>Barrie Hill Minerals Process Engineer Former director of engineering ANSTO Former head of Comalco Engineering Director of ROIL subsidiaries since 2006</p> <p>Senior Adviser (being recruited) Chemical Process Engineer Former Senior Process Engineer at Queensland Magnesia Currently Executive Adviser - Risk at a major engineering firm Managed the former ROIL licensed refinery for 4 years</p>	 <p>Costa Vrisakis Founding Director Computer Resources Ltd Business forms Printing. Director Computer Accounting Ltd</p>
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Figure 2: ALCORE Board and Advisory Committee

Listing Rules Consideration

ABx notes that in the event the Company opts at any time to spin-out ALCORE through an IPO then Listing Rule 1.19 provides that: “Admission to the official list, and the category of an entity’s admission, is in ASX’s absolute discretion. ASX may admit an entity on any conditions it thinks appropriate. ASX may grant or refuse admission without giving any reasons.”

Further, in the event that Listing Rule 11.4 applies, ABx shareholders must approve the spin-out of the securities, except those to be retained by ABx, are offered pro rata to holders of ordinary the securities in the listed entity, or in another way that, in ASX’s opinion, is fair in all the circumstances.

For further information please contact:

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About Australian Bauxite Limited

ASX Code ABX Web: www.australianbauxite.com.au

Australian Bauxite Limited (ABx) has its first bauxite mine in Tasmania & holds the core of the Eastern Australian Bauxite Province. ABx’s 22 bauxite tenements in Queensland, New South Wales & Tasmania exceed 1,975 km² & 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 committed a large proportion of its expenditure into Research and Development to find ways to capitalise on the main strengths of its bauxite type, mainly highly clean, free of all deleterious elements and partitioned into layers, nodules, particles and grains of different qualities that can be separated into different product streams using physical, chemical and geophysical methods.

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.

ABx’s first mine commenced at Bald Hill near Campbell Town, Tasmania in 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 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
Ken Boundy	Director
Ian Levy	CEO & MD
Henry Kinstlinger	Company Secretary
Leon Hawker	Chief Operating Officer
Jacob Rebek	Chief Geologist
Paul Glover	Marketing, Logistics & Exploration Manager

APPENDIX

**Establishing the ALCORE research centre for Stage 1 pilot plant operations.
Preparations as at Monday 9th July 2018**



ALCORE RESEARCH CENTRE & STAGE 1 PILOT PLANT SITE



Factory Spaces & Floors Being Sealed for the Pilot Plant

Work completed by ALCORE: Site occupied 1 July 2018. Factory spaces cleared of components not needed for ALCORE's Stage 1 Pilot Plant. Walls panelled & painted. Floors are now levelled and patched for application of reagent-safe sealants to allow engineering measurements for final plant sizing so that fabricated components and modules fit safely. Employees have been recruited and more will be recruited over coming weeks and months as the project develops.



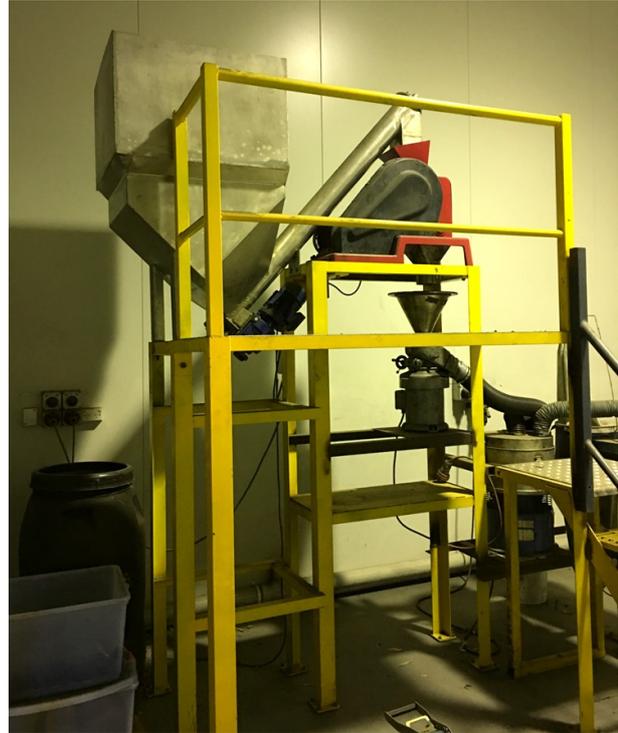
Pre-existing factory machine shop



Pre-existing factory tool store



Sealed clean room with some pre-existing pilot plant components.



Pre-existing ore hopper & screw feed to granulators & sieve.

Laboratory fail-safe air-conditioning to be installed, certified by registered engineers.



Pre-existing fluid-bed dryer, vacuum dryer & Corethane micronizer



Pre-existing forklift mounted electric drum rotator for safe, remote discharge of bauxite into the ore hopper



**Office for plant manager,
operations manager and
OHS&E manager**



Board room next to engineering & admin offices