



AUSTRALIAN BAUXITE LIMITED

ASX: ABX

ASX ANNOUNCEMENT

15 July 2015

About Australian Bauxite Limited ASX Code ABX

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 km² 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 – the type in short-supply globally.

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, with first shipments targeted for 3rd Quarter, 2015.

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
Ian Levy	CEO & MD
Ken Boundy	Director

Leon Hawker	Chief Operating Officer
Rob Williams	General Manager
Jacob Rebek	Chief Geologist
Henry Kinstlinger	Secretary
Julian Rockett	Secretary

ASX Symbol: ABX

Latest News: www.australianbauxite.com.au

Bell Bay Port Stockpile Building for First Shipment and Customer Selected

In early 2014, Australian Bauxite Limited (ASX: ABX) (**ABx or Company**) commenced negotiations with several potential customers for its bauxite from its first bauxite operation planned at Bald Hill, near Campbell Town, Northern Tasmania. Bulk samples of ABx bauxite were sent to three pre-qualified customers for extensive test work.

In October 2014, ABx concluded binding term sheets with Noble Resources International Pte Ltd (**Noble**) (**Term Sheets**) which provided that ABx and Noble would enter into agreements concerning a Loan Facility, Marketing Agreement, Marketing Royalty Deed and Noble Offtake Agreement (**Agreements**). These Agreements would take effect on the execution of long form agreements and upon ABx drawing down funds under the Loan Facility.

Under the terms of these Agreements ABx and Noble had to still agree some essential commercial terms. Despite both parties' efforts, these have not been able to be agreed. Further, as a result of successful fundraising in November 2014 and as a result of capital costs coming in 45% below budget, ABx raised sufficient funds to obviate the need to draw down funds under the proposed Loan Facility and the Term Sheets came to an end on 30 June 2015.

First Shipment and Offtake

ABx has been offered an acceptable Long Term Offtake Agreement with one of the pre-qualified customers ¹.

ABx CEO, Ian Levy said; "Our objective has always been to find a compatible, supportive off-take partner so as to maximise the blending opportunities for our bauxite and to create a market niche that we can supply successfully for many years.

"This off-take agreement will allow us to develop the project and satisfy this market niche simultaneously – something we probably could not do alone during the ramp-up to steady-state production.

"We are now ramping-up railings of bauxite product from stockpiles at the mine to Bell Bay export port so as to ship our first shipment of bauxite into China later this quarter.

"We are grateful for the support from investors, contractors, customers and Tasmanian stakeholders. It's time for us to deliver and growing deliveries of bauxite to port is good for all concerned."

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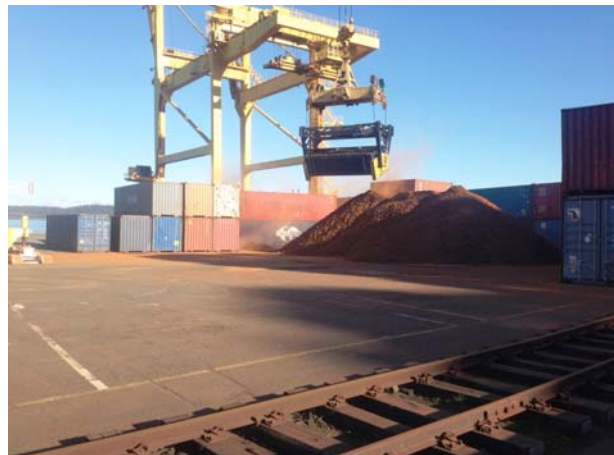
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¹ Customer name withheld – commercial-in-confidence.



Figures 1 to 6: Mine overview 5 June; Loading bauxite product into covered containers at minesite; Truck departing to Conara rail siding; Train with 50 containers arriving at Bell Bay Port; Containers unloaded from train; Bauxite being loaded onto the Bell Bay Port Stockpile bordered by containers used as wind breaks.

For further information please contact:

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