



ASX ANNOUNCEMENT

14 January 2015

AUSTRALIAN BAUXITE LIMITED

ASX: ABX

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.

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

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Latest News: www.australianbauxite.com.au

ABx Responds to Bauxite Glut

ABx and its marketing partner RawMin are continuing negotiations with potential bauxite customers in China, India, the Middle East, Australia and elsewhere.

Negotiations in China have been frustrated by the large inventories of cheap Malaysian bauxite that have been accumulated by the Chinese refineries over the past 5 months and, over the last fortnight, the nearness to Chinese New Year in February. ABx welcomes the recently announced 3 month suspension of bauxite shipments from Malaysia from 15 January onwards but uncertainty about future tonnages to be sold out of Malaysia still remain a confusing issue in the Chinese bauxite markets.

ABx cash-at-hand is approximately \$1.3 million as of today and ABx is taking steps to conserve cash until a sale of its maiden shipment is achieved. This includes a temporary suspension of production and haulage of bauxite products from its Bald Hill Bauxite Project at Campbell Town, Tasmania at the end of this week until sales commence. Routine rehabilitation and small tonnage sales of bauxite ex-mine will continue and once a sale of ABx's maiden shipment is achieved, the mine can immediately recommence full-scale production and haulage of the second cargo of bauxite to Bell Bay Port can occur without delay.

ABx's research and development of TasTech technology will continue on schedule. This TasTech project is developing a low-cost process that separates the raw bauxite into 3 products, each suited to separate markets as part of ABx's market diversification strategy. The 3 product types and markets are:

1. Metallurgical grade bauxite for the alumina refineries for the making of aluminium metal;
2. Cement grade bauxite for the manufacture of cement; and,
3. Fertiliser-grade bauxite for the fertiliser industry.

AUSTRALIAN BAUXITE LIMITED

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Specifications of the current maiden shipment stockpile at Bell Bay port based on ISO-compliant sampling and assaying are as follows:

- Tonnage: 40,000 tonnes
- Moisture: 8%
- Sizing: 15mm to 100mm max

Shipping specification is Group C with all export approvals in place.

Chemistry:

Al ₂ O ₃	SiO ₂	Reactive SiO ₂	Fe ₂ O ₃	TiO ₂	Mono-hydrate	CaO	MgO	SO ₃	LOI
42%	5.88%	5.1%	24.8%	2.9%	< 1.5%	0.05%	0.08%	0.35%	24%

ABx bauxite has excellent SETTLING performance and can help solve frothing issues. It produces excellent refinery liquor clarities (ie. very clean), even at low flocculent dosage rates. It contains no radioactive components. It handles very cleanly and is ideal for transportation either on land or sea - a video of its behavior during rail haulage from pit to port can be seen at <https://www.youtube.com/watch?v=tqSNioU9gEc>.

The bauxite cargo has a high angle of repose (35 to 45 degrees) as evident in the port stockpile photo below:



For further information please contact:

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