

19 March, 2010

Company Announcement Office  
Australian Securities Exchange Limited

## COMPANY UPDATE

### Australian Bauxite completes \$3.5 million placement

Australian Bauxite Limited (**ABx**) advises that it has completed the placement of 10 million fully paid ordinary shares (14.29% of its issued capital) at 35 cents per share to institutional and sophisticated investors, as defined under Section 708 of the Corporations Act, raising \$3.5 million before costs.

The shares were issued under ABx's 15% placement capacity as provided for under Listing Rule 7.1 to institutions and sophisticated investors introduced by State One Stock Broking Limited.

There are now 80 million shares on issue representing a market capitalisation of \$30.4 million (at 17 March 2010)

### Broker Research Report

State One Stockbroking Limited has completed a comprehensive research report on the Company.

The report is available through contacting State One Stockbroking on +61 8 9288 3388. It is also available on the ABx website ([www.australianbauxite.com.au](http://www.australianbauxite.com.au)) on the INVESTORS | BROKER COVERAGE page.

### Tasmanian Highlights

- Eight (8) new exploration licence applications in Tasmania have been lodged covering an area of 1,508 km<sup>2</sup> and containing many new discoveries of good grade bauxite in favourable settings
- Sampling has returned some of the best quality results of any bauxite areas sampled to date in the extensive Eastern Australian Bauxite Province, with the following average surface sample assay results:

Area	Al <sub>2</sub> O <sub>3</sub> (%)	Avl. Al <sub>2</sub> O <sub>3</sub> (%)	SiO <sub>2</sub> (%)	Rx SiO <sub>2</sub> (%)	Fe <sub>2</sub> O <sub>3</sub> (%)	TiO <sub>2</sub> (%)	LOI (%)	No. Samples
Evandale	50.2	35.8	7.4	6.2	19.5	2.3	20.0	3
Conara/Cleveland/Powranna	56.9	52.0	3.6	3.0	7.1	1.2	30.7	3
Bengeo	57.1	52.0	2.4	1.8	8.3	1.5	30.2	3
Myalla	53.2	48.5	2.7	2.2	12.1	1.6	29.8	3
Mawbanna	47.3	37.1	6.0	5.2	20.0	1.5	24.8	2

- Tasmania's proud mining heritage rivals NSW and QLD and Tasmania has the advantage of very short-haul distances by rail to export ports that have capacity for increased export volumes
- The 8 new Exploration Licence Applications meet the rigorous corporate selection criteria, namely; good quality bauxite; near infrastructure including rail, ports, power, water & industrial centres; and, free of socio-environmental and native title land constraints.

For further information please contact

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Australian Bauxite Limited (**ABx**) is an exploration company that holds the core of the Eastern Australian Bauxite Province. Its 17 initial tenements in Queensland and NSW, covering 5,000 km<sup>2</sup> and the 8 new tenement applications in Tasmania, covering a further 1,508 km<sup>2</sup> were all selected on 3 principles: good quality bauxite, proximity to infrastructure connected to export ports and free of socio-environmental or native title land constraints. All tenements are 100% owned and free of obligations for processing and third-party royalties. ABx has already discovered many bauxite deposits and new discoveries are still being made as ABx's knowledge base and expertise grows.

The company's bauxite is high quality and can be processed into alumina at low temperature – the type that is in short-supply globally. At the company's first drilling prospect in Inverell, northern NSW, a maiden resource of 22 million tonnes has been reported from drilling less than 10% of the identified bauxite deposit. Australian Bauxite Limited aspires to identify bauxite resources in excess of 200 million tonnes in one of the world's best bauxite provinces.

ABx has the potential to create two state significant bauxite processing projects, one in New South Wales and one in Queensland and has several bauxite deposits that are favourably located for direct shipping of bauxite to export customers. The ABx discoveries of bauxite in Tasmania are yet to be evaluated by drilling but bauxite is confirmed to extend over relatively large areas.

Our business plan is to prove-up the largest tonnages of high quality bauxite resources of any comparable Australian company and to market premium-priced bauxite products into the rapidly growing Asia-Pacific region (especially China) and the large eastern Australian aluminium industry.