



AUSTRALIAN BAUXITE LIMITED

ASX: ABZ

9 March 2010

Company Announcement Office
Australian Securities Exchange Limited

Eight New Bauxite Exploration Tenements 1,508km² in Tasmania

- Eight (8) new exploration licence applications in Tasmania have been lodged covering an area of 1,508 km² 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
- 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.

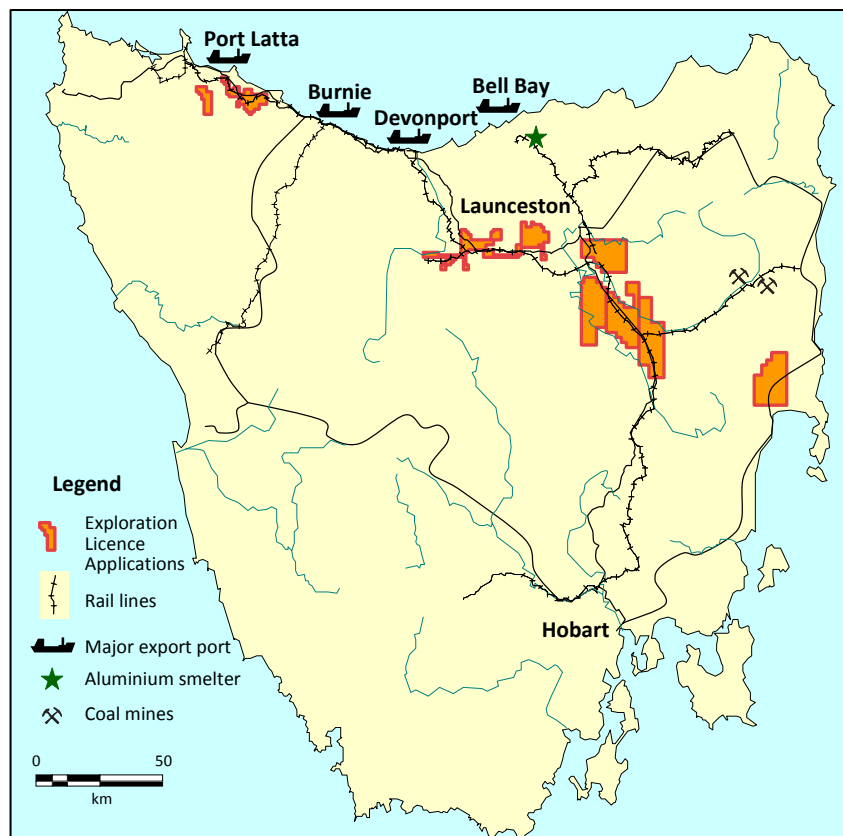


Figure 1: Eight New Bauxite Tenement Applications by ABx in Tasmania

Emerging Australian bauxite company, Australian Bauxite Limited has applied for eight (8) new bauxite exploration tenements in Tasmania covering an area totalling 1,508 square kilometres (km²) and containing good quality bauxite in favourable settings for potential development – see Figure 1 & Table 1 for details.

Australian Bauxite Limited CEO, Ian Levy said; “These unexpectedly high quality bauxite discoveries are especially exciting because they are all in cleared land, near to rail transport networks leading directly to major export ports in a state with a well-developed mining sector. There are also coal mines and an aluminium smelter nearby which could assist in making the processing of bauxite in Tasmania attractive.

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“Because of this major expansion in our tenement areas, we intend to step-up our exploration efforts to accelerate the rate of expansion in our JORC-compliant resources and to establish project prioritisation.

“These new discoveries of bauxite demonstrate that the disciplined work by our exploration team led by Jacob Rebek since 2006, and Tamara Coyte in Tasmania, has given us control of the core of the Eastern Australian Bauxite Province which we believe contains better bauxite than most bauxites world-wide.”

Australian Bauxite Limited (ABx) is a new exploration company that holds the core of the Eastern Australian Bauxite Province. Its 17 initial tenements in Queensland and NSW, covering 5,000 km² and the 8 new tenement applications in Tasmania, covering a further 1,508 km² 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 (see Figure 2).

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Qualifying statement

The information in this announcement that relate to Exploration Information are based on information compiled by Jacob Rebek and Ian Levy who are members of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Rebek and Mr Levy are qualified geologists and are directors of Australian Bauxite Limited.

Mr Rebek and Mr Levy have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking to qualify as a Competent Person as defined in the 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Resources. Mr Rebek and Mr Levy have consented in writing to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

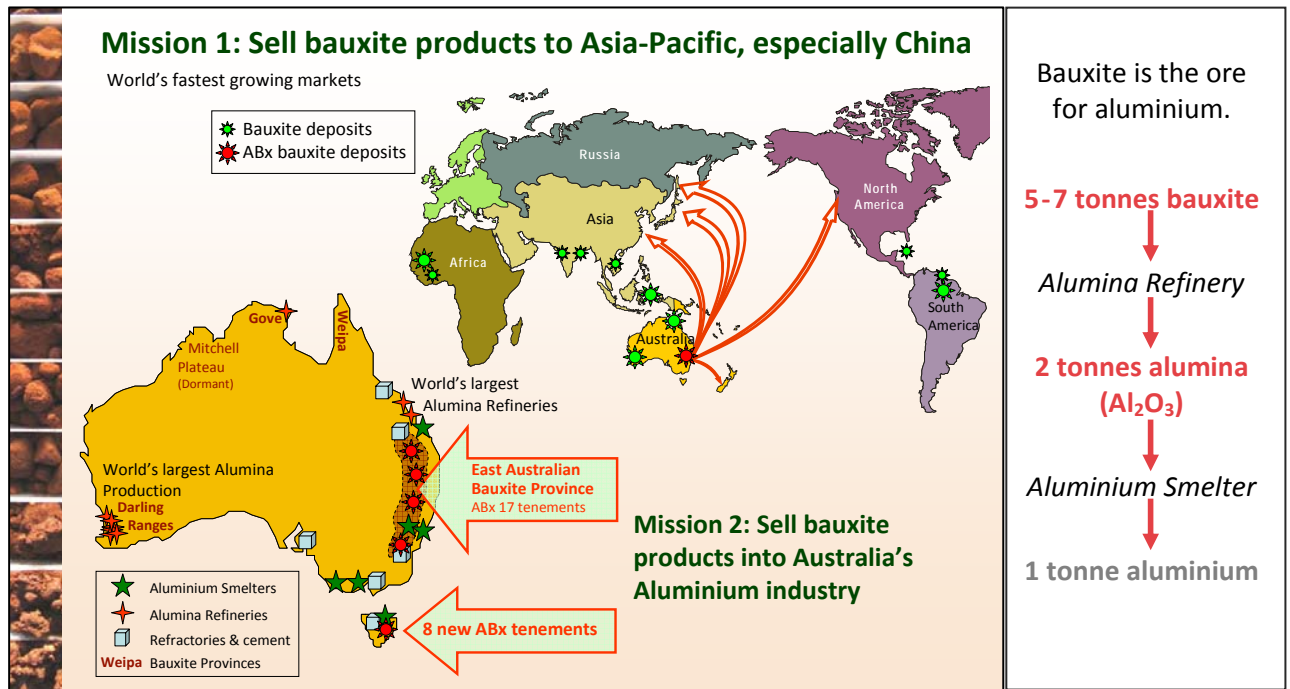


Figure 2: Australian Bauxite's Business Setting & the Eastern Australian Bauxite Province

**Table 1
Eight New Exploration Licence Applications In Tasmania**

Exploration Licence Application No.	Name	Date of Application	Area km ²
EL 4/2010	Evandale	29 January 2010	196 km ²
EL 5/2010	Powranna Rd	29 January 2010	228 km ²
EL 6/2010	Cleveland	29 January 2010	227 km ²
EL 7/2010	Conara	29 January 2010	250 km ²
EL 8/2010	Cranebrook	29 January 2010	230 km ²
EL 9/2010	Bengeo	10 February 2010	247 km ²
ELA tba/2010	Myalla	04 March 2010	91 km ²
ELA tba/2010	Mawbanna	04 March 2010	39 km ²
Subtotal			1,508 km²

Table 2
Surface Sampling Assay Results

Conara-Cleveland-Powranna Area	Al ₂ O ₃ avl* %	Rx SiO ₂ * %	Al ₂ O ₃ %	Fe ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI %
	56.8	1.6	59.5	5.38	2.22	0.85	31.86
	52.7	2.2	58.3	6.29	2.76	1.10	31.3
	46.5	5.3	53.0	9.66	5.92	1.67	29.02
Evandale	Al ₂ O ₃ avl* %	Rx SiO ₂ * %	Al ₂ O ₃ %	Fe ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI %
	33.7	7.6	52.2	16.1	8.77	2.61	19.67
	39.4	3.8	45.7	20.5	5.35	1.88	25.92
	34.3	7.1	52.6	21.8	8.09	2.34	14.42
Bengeo	Al ₂ O ₃ avl* %	Rx SiO ₂ * %	Al ₂ O ₃ %	Fe ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI %
	51.8	2.2	59.4	5.63	2.93	1.58	30.16
	56.4	1.8	59.7	4.94	2.43	1.00	31.59
	47.8	1.3	52.2	14.45	1.92	1.98	28.96
Myalla	Al ₂ O ₃ avl* %	Rx SiO ₂ * %	Al ₂ O ₃ %	Fe ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI %
	47.5	2.5	52.0	13.15	2.87	1.88	29.42
	49.9	1.4	53.8	11.25	1.90	1.96	30.45
	48.1	2.6	53.7	11.8	3.38	0.81	29.61
Mawbanna	Al ₂ O ₃ avl* %	Rx SiO ₂ * %	Al ₂ O ₃ %	Fe ₂ O ₃ %	SiO ₂ %	TiO ₂ %	LOI %
	34.2	1.3	44.5	28.5	1.68	1.86	22.93
	39.9	9.0	50.1	11.4	10.25	1.20	26.57

* Al₂O₃avl = available alumina in low-temperature (gibbsite) leaching & after deduction for the Rx SiO₂%

* Rx SiO₂ = reactive silica that dissolves in low-temperature (gibbsite) leaching (low RX SiO₂ is preferred)

LOI = loss on ignition at 1,100 degrees C = water of crystallisation contained in the minerals

Leach conditions: 1g of sample leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins

Notes about quality:

These assay results from Tasmania represent some of the best quality bauxite sampled by the company to date from the Eastern Australian Bauxite Province. The areal extent of bauxite is apparently relatively large but the thickness of the bauxite layers will require determination by drill testing.

Like most of the bauxites encountered to date in the Eastern Australian Bauxite Province, the Tasmanian bauxite is expected to upgrade easily by simple, low-cost screening methods to produce a bauxite product called "beneficiated bauxite" that has very low levels of reactive silica. Such bauxite products are in short supply globally and command premium prices, especially if it can be produced consistently to a defined specification and would be ideal direct shipping ore ("DSO") to customers world-wide.

The bauxite type found in the Eastern Australian Bauxite Province is similar to the bauxite in the Darling Ranges Bauxite Province south of Perth, Western Australia which is the largest, lowest cost producer of alumina in the world, due mainly to the low-temperature, low reactive silica character of the bauxite.