



AUSTRALIAN BAUXITE LIMITED

[DATE]

[Address Line 1]
[Address Line 2]
[Address Line 3]
[Address Line 4]
[Address Line 5]
[Address Line 6]

Dear Shareholder,

Australian Bauxite has moved quickly since our company's launch in late December 2009, and it is with pleasure that we provide the enclosed Annual General Meeting shareholder pack, which contains:

- ABx 2009 Annual Report;
- Notice of Meeting and Explanatory Statement;
- Proxy Form; and
- Election Notice (to receive printed copies of the annual report).

Annual General Meeting

Our first Annual General Meeting will take place on 28th May 2010 at 9:30 am. Shareholders are encouraged to attend, but if you can't, please consider appointing a proxy so that your interests are represented.

Details of the matters to be put to the meeting are contained in the enclosed Notice of Meeting and Explanatory Statement.

Distribution of the ABx Annual Report

The Corporations Act 2001 provides that the default option for receiving your annual report is via our website.

We've included a printed copy of the 2009 Annual Report with this letter, however, if you wish to continue receiving a printed copy of the annual report you will need to send back the "Election Form" attached to this letter. There is no charge to shareholders to receive a copy of the annual report.

On the form you can nominate to receive the printed annual report or an email notification of when it is available on the website. In any event we will provide you information on how to access future annual reports in the mail pack together with the Notice of Meeting.

If you make an election, it will serve as a standing election for each later financial year and will only change if you request that it be changed. You can change your election at any time by notice in writing to the Company.

Exploration Progress

Our exploration team, led by Chief Geologist Jacob Rebek has continued to deliver valuable results:

- **Five new exploration licence areas in Tasmania.** Tasmanian bauxite discovered to date indicates high quality and extends over large areas. We will drill test the areas to confirm the depth and continuity of the bauxite – Tasmania could be a real winner.
- **2010 drilling campaign commenced immediately after Easter** and is progressing slightly faster than scheduled. This campaign commenced in the Inverell-Pindaroi area in northern NSW and the rig will next move into southern Queensland. Southern NSW and Tasmania will be drilled later in the year, probably using a second drill rig and crew. Should a significant resource-drilling campaign eventuate, we hope to fire-up a third drill rig and crew.

Business Plan

AUSTRALIAN BAUXITE LIMITED
131 Macquarie Street
ACN 139 494 885

Level 2 Hudson House
Sydney NSW 2000 Australia



Our business plan is sound, as follows:

- Prove up the largest high quality bauxite resources of any comparable company worldwide;
- Produce and market bauxite products into both the rapidly growing Asia-Pacific region and the large eastern Australian aluminium industry, including involvement in a new alumina refinery; and
- Produce high quality speciality bauxites that command premium prices.

Three State Strategy provides development flexibility

Australian Bauxite has selected its tenements based on 3 firm principles:

- **Quality** – good quality bauxite occurrences with potential for significant resource tonnages;
- **Proximity** – easy access to infrastructure connected to export ports; and
- **Accessibility** – free of socio-environmental or native title land constraints.

Australian Bauxite Limited is benefiting from the rigour applied during the area-selection process. ***We are not dependent on any specific area for our future corporate developments.*** We control the core of the Eastern Australian Bauxite Province, which extends from south-eastern Queensland, through eastern NSW to central Tasmania with numerous favourable settings to choose from for our first bauxite project.

The opportunity exists to create three state-significant bauxite-processing projects in New South Wales, Queensland and Tasmania based on large resources of bauxite that could sustain a long-term project. We also have bauxite deposits that are favourably located for direct shipping of bauxite to export customers – these are projects based on direct-shipping ore or “DSO” bauxite located near to export ports.

I take this opportunity to thank you for your continued support of Australian Bauxite Limited.

Yours faithfully

A handwritten signature in blue ink, appearing to read 'Ian Levy', is written over the typed name.

Ian Levy
Managing Director



ELECTION FORM – ANNUAL REPORT DISTRIBUTION

[Address Line 1]
[Address Line 2]
[Address Line 3]
[Address Line 4]
[Address Line 5]
[Address Line 6]

Company Secretary
Australian Bauxite Limited
Level 2
131 Macquarie Street
Sydney NSW 2000

Facsimile: +61 2 9251 7500

I wish to receive printed copies of future annual reports from Australian Bauxite Limited by mail.

I wish to receive email notification when future annual reports of Australian Bauxite Limited are available on www.australianbauxite.com.au.

My email address is:

Yours sincerely

(Signature of Shareholder)

Dated: _____



AUSTRALIAN **BAUXITE** LIMITED

**NOTICE OF THE FIRST
ANNUAL GENERAL MEETING
AND EXPLANATORY STATEMENT**

*The First Annual General Meeting of
Australian Bauxite Limited
ABN 14 139 494 885
will be held at Hudson House, Level 2
131 Macquarie Street, Sydney NSW 2000
on Friday 28 May 2010 at 9.30 am*

NOTICE OF THE FIRST ANNUAL GENERAL MEETING

Australian Bauxite Limited ABN 14 139 494 885

Notice is hereby given that the First Annual General Meeting of members of Australian Bauxite Limited ('Company') will be held at the registered office of the Company, Hudson House, Level 2, 131 Macquarie Street, Sydney NSW 2000 on Friday 28 May 2010 at 9.30 am.

Ordinary Business

1. Financial Statements and Reports

To receive the Company's financial statements and the reports of the Directors and the Auditors thereon for the financial year ended 31 December 2009.

2. Election of Directors

Ordinary Resolution to re-elect Mr. Wei Huang as a Director

To consider and, if thought fit, pass the following resolution as an ordinary resolution.

"That Mr. Wei Huang, retiring by rotation in accordance with Article 49.1.3 of the Company's Constitution, be re-elected as a Director of the Company".

3. Adoption of Directors' Remuneration Report

Ordinary Resolution to approve Remuneration Report

To consider and, if thought fit, pass the following resolution as an ordinary resolution.

"That the Directors' Remuneration Report for the year ended 31 December 2009 be and is hereby approved for the purposes of the Corporations Act 2001".

NOTE : This resolution is advisory only and non-binding.

Special Business

4. Ratification of Issue of Shares by Directors

Ordinary resolution to ratify past issue of securities.

To consider and, if thought fit, pass the following resolution as an ordinary resolution.

"That, for the purpose of ASX Listing Rules 7.1 and 7.4 and for all other purposes, to ratify the placement by the directors on 19 March 2010 of 10,000,000 fully paid ordinary shares in the Company ("the Shares") to State One Nominees Pty Limited at an issue price of \$0.35 per share raising a total of \$3,500,000. A commission of 6% was payable in respect of the funds raised. The funds raised are being used to provide further funds to meet the Company's ongoing working capital requirements."

Voting Exclusion

The Company will disregard any votes cast on Resolution 4 by the recipient of the share issue referred to in Resolution 4 or an associate of any of the recipient.

However, the Company will not disregard the vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

5. Issue of shares to Sophisticated and Professional Investors

Ordinary resolution to issue of securities to Sophisticated and Professional Investors.

To consider and, if thought fit, pass the following resolution as an ordinary resolution.

“That, for the purposes of ASX Listing Rule 7.1 and for all other purposes, the directors are authorised to issue up to 20,000,000 shares in the Company, by way of placements, to sophisticated, eligible and professional investors (being persons to whom a disclosure document is not required to be provided by virtue of s708(8), s708(10) or s708(11) of the Act), at an issue price of not less than eighty percent (80%) of the average market price of the shares of the Company calculated over the last 5 days on which sales in the shares were recorded before the day on which the issue is to be made, and otherwise on the terms and conditions set out in the explanatory statement attached hereto.”

Note: The shares will be issued no later than three (3) months from the date of the meeting.

Voting Exclusion

The Company will disregard any votes cast on Resolution 5 by the participants in the proposed share issue under this Resolution 5 or a person who might obtain a benefit, except a benefit solely in the capacity of a security holder, if Resolution 5 is passed or an associate of any of those persons. However, the Company will not disregard the vote if:

- (a) it is cast by a person as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form; or
- (b) it is cast by the person chairing the meeting as proxy for a person who is entitled to vote, in accordance with the directions on the proxy form to vote as the proxy decides.

6. Confirmation of appointment of Company Auditor

Ordinary resolution to approve appointment of K.S. Black & Co as auditor of the company. To consider and if thought fit, pass the founding resolution as an ordinary resolution. That the appointment of K.S. Black & Co as auditor of the company by directors in accordance with section 327A (i) of the Corporations Act, 2001 3A confirmed by shareholders.

7. Other Business

To transact any other business which, in accordance with the Company's Constitution and the Corporations Act, may be legally brought before an Annual General Meeting.

By Order of the Board of Directors

H Kinstlinger
Company Secretary

DATED: 21 April 2010

This Notice of Meeting is accompanied by an Explanatory Statement to shareholders which explains the purpose of the Meeting and the resolutions to be considered at the Meeting.

EXPLANATORY STATEMENT

This Explanatory Statement is intended to provide shareholders of Australian Bauxite Limited (“Company”) with sufficient information to assess the merits of the Resolutions contained in the accompanying Notice of Annual General Meeting of the Company.

The Directors recommend that shareholders read this Explanatory Statement in full before making any decision in relation to the Resolutions.

If you have any queries regarding the matters set out in this Explanatory Statement or the preceding Notice please contact the Company or your professional advisor.

1. Financial Statements and Reports

The Corporations Act 2001 requires the Financial Report, Directors’ Report and Auditor’s Report for the past financial year to be tabled before the Annual General Meeting, and the Company’s Constitution provides for such reports to be received and considered at that meeting. Neither the *Corporations Act 2001* nor the Company’s Constitution requires a vote of shareholders at the Annual General Meeting on such Reports. The Annual General Meeting provides a forum for shareholders to ask questions and make comments on the Company’s reports and accounts and on the business and operations of the Company for the year ended 31 December 2009.

In addition, shareholders may, at the meeting, ask questions of the auditor in relation to the following matters:

The conduct of the audit, the content of the auditor’s report, the accounting policies adopted by the Company for the preparation of the financial statements and the auditor’s independence in relation to the above items.

2. Election of Director

Resolution 1 - Re-election of Mr. Wei Huang as a Director

Mr. Wei Huang retires by rotation in accordance with Clause 49.1.3 of the Company’s Constitution which provides that one third of other directors (not counting the managing director) automatically retire at the end of each Annual General Meeting. The Directors to retire under Clause 49.1.3 are those directors who have been longest in office since their appointment on registration or their last election.

Being eligible, Mr. Wei Huang offers himself for re-election.

3. Adoption of Directors’ Remuneration Report

Resolution 2 – Adoption of Directors’ Remuneration Report

The Corporate Law Economic Reform Programme (Audit Reform and Corporate Disclosure Action 2004 (CHT)) (CLERP 9) requires that a Resolution be put to members to adopt the Remuneration Report as disclosed in the Directors’ Report. The vote on this resolution is advisory only and non-binding. The resolution gives members the opportunity to ask questions or make comments concerning the Remuneration Report during the meeting.

4. Ratify Past Issue of Securities

Resolution 4 - Ratify Past Issue of Securities

On 19 March, 2010 the Company announced that it had completed the placement of 10 million fully paid ordinary shares (14.29% of its total issued capital) at \$0.35 per share to institutional and sophisticated investors, as defined under Section 708 of the *Corporations Act 2001*, raising \$3.5 million before costs of the issue.

The funds raised are being used to provide further funds to meet the Company's ongoing working capital requirements.

ASX listing Rule 7.1 provides that a company must not issue securities or agreed to issue equity securities (which includes shares and options) without the approval of shareholders if the number of equity securities to be issued in any 12 month period (including equity securities issued on the exercise of any convertible securities) exceeds 15% of the issued capital of the company preceding the issue.

Shareholder approval was not required in accordance with Listing Rule 7.1 to issue the securities as the placement shares did not exceed 15% of the total issued capital at the time of issue of the securities.

ASX Listing Rule 7.4 allows for subsequent shareholder approval if the Company did not breach ASX Rule 7.1 at the time of issue and the holders of ordinary shares subsequently approve it. The Company is now seeking approval for the issue of these securities in the manner provided by ASX Listing Rule 7.4.

This will enable the Company to issue further equity securities not exceeding 15% of the total issued capital of the Company without taking to account the 10,000,000 shares issued pursuant to the Placement.

5. Issue of shares to Sophisticated or Professional Investors

Resolution 5 – Approve issue of shares to Sophisticated or Professional Investors

Resolution 5 seeks shareholders' approval, for the purposes of ASX Listing Rule 7.1 and for all other purposes, to authorise the directors to issue, by way of placements, up to 20,000,000 shares to sophisticated, eligible and/or professional investors (being persons to whom a disclosure document is not required to be provided by virtue of s708(8), s708(10) or s708(11) of the Act), at an issue price of not less than eighty percent (80%) of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue is to be made. For example, if the five day weighted average price of the Shares at the time at which the issue is to be made is 45 cents, the Shares would be issued at not less than 36 cents.

Listing Rule 7.1 prohibits a company from issuing or agreeing to issue equity securities in any 12-month period which amount to more than 15% of its ordinary securities without the approval of holders of its ordinary securities.

Further, equity securities issued with approval of holders of a company's ordinary securities in accordance with Listing Rule 7.1 are not then required to be included in the 15% limit imposed by Listing Rule 7.1.

As at the date of this explanatory statement, the issued share capital of the Company before and after the issue of the Shares the subject of this Resolution 5 will be as follows:

Current issued Share Capital	80,000,000
Issue of Shares to Sophisticated, Eligible and Professional Investors	20,000,000
Total new issued Share Capital	100,000,000

The Company therefore proposes to issue 20,000,000 Shares to sophisticated, eligible and professional investors, which represents 25.00% of its current issued capital (of 80,000,000 Shares). The Company therefore seeks shareholder approval to issue the Shares to sophisticated and professional investors pursuant to Listing Rule 7.1.

The following information is provided in accordance with Listing Rule 7.3:-

- 1) the (maximum) number of Shares the Company will issue to sophisticated, eligible and/or professional investors is 20,000,000 Shares;
- 2) the Shares will be issued within three months of the date of this annual general meeting;

- 3) the issue price(s) for the Shares will be not less than eighty percent (80%) of the average market price of the Shares calculated over the last 5 days on which sales in the Shares were recorded before the day on which the issue(s) are to be made;
- 4) the names of the allottees of the Shares are not known at this time: the Shares will be issued to sophisticated, eligible and/or professional investors (being persons to whom a disclosure document is not required to be provided by virtue of s708(8), s708(10) or s708(11) of the Act), none of whom will be related parties;
- 5) the Shares will be issued on the same terms as, and rank pari passu with, the existing issued Shares of the Company and will be quoted on the Australian Securities Exchange;
- 6) the purpose of the proposed Share issue is to raise funds that will be used for providing ongoing working capital for the further development of the projects of Australian Bauxite Limited and its subsidiaries;
- 7) the Company anticipates issuing the Shares progressively as and when investors desiring to invest in the Company are located (but in any event within three months of the date of this annual general meeting).

6. Consolidation of Appointment of Company Auditor

K.S. Black & Co. were appointed auditor of the company by directors following the company's registration in accordance with section 327 A (i) of the Corporations Act. Section 327 A(2) provides that an auditor appointed under subsection (i) holds office until the company's first Annual General Meeting. Directors are not seeking shareholder confirmation of that appointment.

Voting:

The Company has determined that any person registered as a member at 7.00pm Sydney time on 26 May 2009 is entitled to attend and vote at the Annual General Meeting.

**Australian Bauxite Limited
(ABN 14 139 494 885)**

**FIRST ANNUAL GENERAL MEETING OF SHAREHOLDERS
PROXY FORM**

Please complete sign and return this document to:

The Secretary
Australian Bauxite Limited
Level 2, Hudson House
131 Macquarie Street
SYDNEY NSW 2000

Or fax executed form to: +61 2 9251 7500;
or email executed form to: lfisher@higl.com.au.

I/We _____
being a member of Australian Bauxite Limited appoint:

Name of proxy _____

Address of proxy _____

Or in his or her absence (or if left blank), the chairman of the meeting as my/our proxy to attend, vote and otherwise act on my/our behalf at the First Annual General Meeting of the Company to be held on 28 May 2010 and at any adjournment of that meeting.

If you wish to appoint the proxy in respect of only a specified number of your shares you must insert that number in the appropriate space below. In the absence of any such specification, the proxy will be taken to have been appointed in respect of all of your shares.

My/our proxy is authorised to exercise the voting rights in respect of _____ of my/our shares.

RESOLUTIONS	FOR	AGAINST	ABSTAIN
Resolution 1 - Ordinary Resolution to re-elect Mr. Wei Huang as a Director	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 2 - Ordinary Resolution to adopt the Directors' Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 3 - Ordinary Resolution to ratify past issue of securities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 4 - Ordinary Resolution to issue 20,000,000 Shares to sophisticated, eligible and/or professional investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolution 5 – Ordinary Resolution to confirm appointment of company auditor	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Proxy Instructions

If you wish to direct how your votes are to be cast, place mark (X) in the appropriate box above.

Unless otherwise directed, the proxy holder may vote as he/she thinks fit, or abstain from voting.

The Chairman intends to vote all undirected proxies that he receives in favour of each resolution to be brought before the meeting.

If the Chairman of the meeting is appointed as your proxy, or may be appointed by default and you do **not** wish to direct your proxy how to vote as your proxy in respect of a resolution, please place a mark in this box:

By marking this box, you acknowledge that the Chairman of the meeting may exercise your proxy even if he has an interest in the outcome of the resolution/s and that votes cast by the Chairman of the meeting for those resolutions other than as proxy holder will be disregarded because of that interest.

If you do not mark this box, and you have not directed your proxy how to vote, the Chairman will not cast your votes on the resolution and your votes will not be counted in calculating the required majority if a poll is called on the resolution.

DATED: _____ 2010

If the member is an individual

Signature _____

If the member is a Company:

EXECUTED BY _____)
In accordance with Section 127 _____)
of the Corporations Act, 2001 _____)

Director/Secretary

Director

Name of Director/Secretary *[print]*

Name of Director *[print]*

Notes on Proxies

1. A Member entitled to attend and vote at this meeting is entitled to appoint not more than two proxies to attend and vote in his stead pursuant to the Constitution.
2. If a Member appoints one proxy only, that proxy shall be entitled to vote on a show of hands, but if a Member appoints two proxies neither shall be entitled to vote on a show of hands.
3. Where more than one proxy is appointed, each proxy must be appointed to represent a specified portion of the Member's voting rights.
4. A proxy need not be a Member.
5. A proxy form must be signed by the Member or the Member's attorney or, if a corporation, be executed in accordance with section 127 of the Corporations Act 2001, under its common seal or by its attorney.
6. The instrument appointing a proxy and the power of attorney (if any) under which it is signed, or a notarially certified copy of the power and a declaration by the attorney of its non-revocation, must be deposited at the registered office of the Company or sent by facsimile to (61 2) 9251 7500 not less than 48 hours before the person named in the instrument purports to vote pursuant to it.