

# AUSTRALIAN BAUXITE LIMITED

Mining 2011 Conference  
27 October 2011

## SIGNIFICANT BAUXITE PROJECTS Moving towards development

Bauxite is the ore for aluminium and alumina

**ASX Code “ABZ”**

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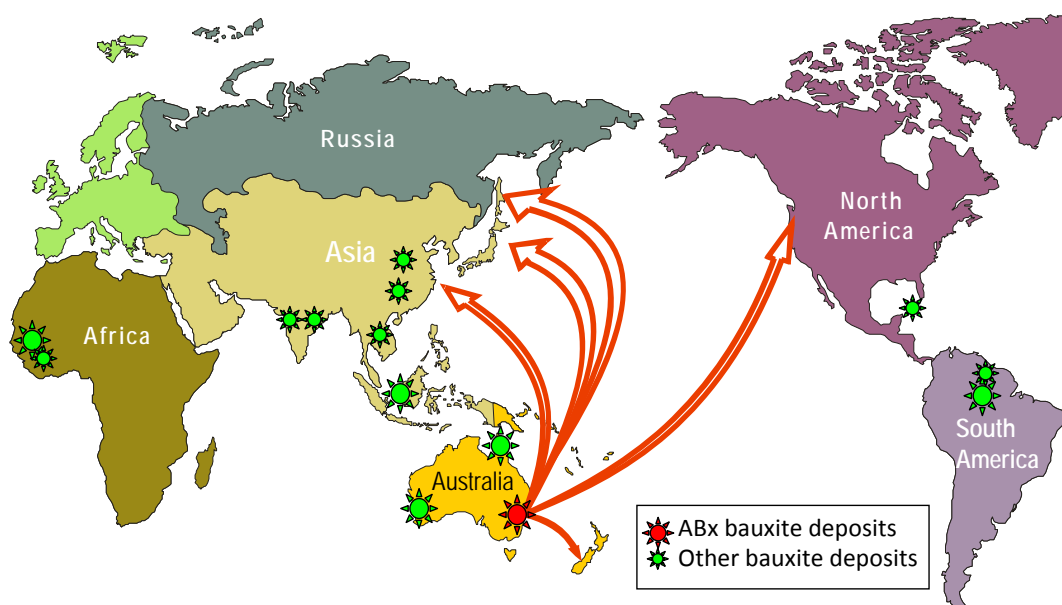
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1

## Mission 1 Sell bauxite products to Asia-Pacific especially China



**Australia & Indonesia supply China's huge refineries**

2



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## Forward Looking Statement

Whilst based on information from sources considered reliable, Australian Bauxite Limited (**ABx**), its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information in this document and presentation is complete or accurate. To the maximum extent permitted by law, ABx disclaims any responsibility to inform any recipient of this document and presentation of any matter that subsequently comes to its notice, which may affect any of the information contained in this document and presentation.

## JORC and Competent Person Statement

Information herein relating to Exploration Results, Resources and Resource Targets is based on information compiled by Ian Levy BSc MSc who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Levy is employed by ABx as Chief Executive Officer.

Mr Levy has more than five years experience relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). This report is issued with the prior written consent of the Competent Person as to the form and context in which it appears.

## Exploration Target Statement

ABx has an exploration target of 200 to 300 million tonnes of bauxite, based on Mineral Resources announced in mid 2010 of 35 million tonnes of bauxite at Inverell <sup>4,5</sup> from 15% to 20% of the known bauxite deposits on Exploration Lease EL 6997 in northern NSW and 25 million tonnes of bauxite at Taralga <sup>1,2,3</sup> from approximately 50% of the bauxite targets on Exploration Lease EL 7357 in southern NSW. In accordance with the JORC Code, readers are advised that "the potential quality and grade is conceptual in nature, that there has been insufficient exploration to define full Mineral Resources and that it is uncertain if further exploration will result in the determination of a Mineral Resource". As first-pass drilling has proceeded across most of its tenements, ABx has seen no reason to vary its exploration target.



## JORC Code Compliant Public Reports

The Company advises that this presentation contains summaries of Exploration Results and Mineral Resources as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code").

The following table references the location of the Code-compliant Public Reports or Public Reporting on which the summaries are based. These references can be viewed on the ASX website and the Company will provide these reports, free of charge, to any person who requests it.

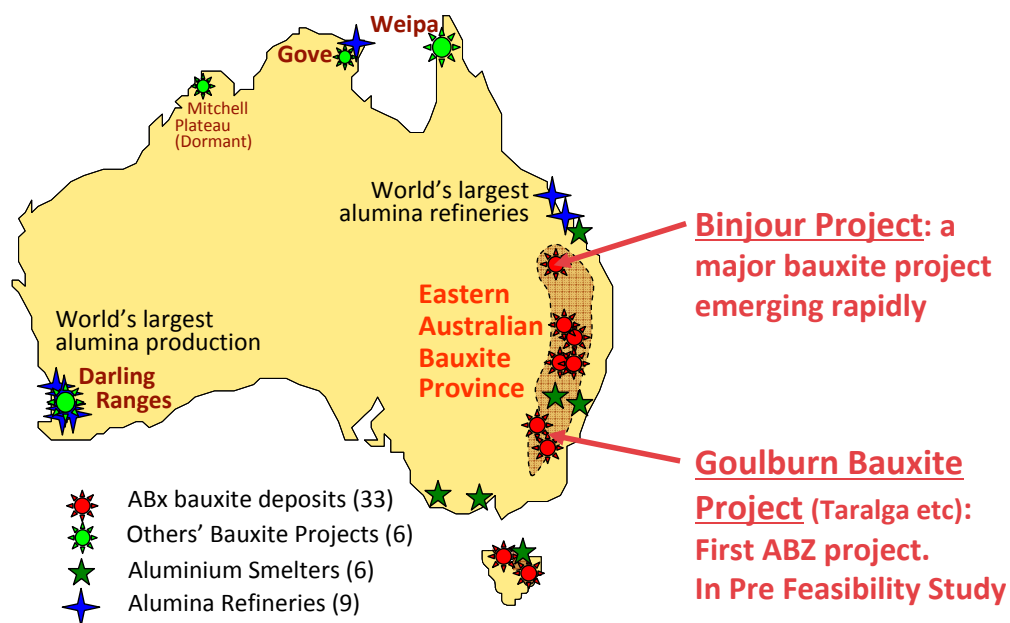
Reference	Issue Date	Title of Notice as lodged with ASX
1	12/10/2011	Binjour Maiden JORC Resource
2	15/08/2011	Guyra Maiden JORC Resource
3	12/05/2011	Taralga Bauxite Resource Doubled to 25 Million Tonnes
4	06/12/2010	Taralga JORC Resource Update
5	02/09/2010	Inverell JORC Resource Update

## Direct Shipping Ore

In this presentation all references to direct shipping ore (**DSO**) refers to the company's exploration objective of defining DSO grade mineralisation. The potential quantity and grade of exploration targets is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.



## Mission 2 Sell bauxite products to Australia's large Aluminium Industry



**No new bauxite mines in 30 years.**  
**STARTING TO EXPAND NOW**



5

## Corporate Details ABZ 4th best performing IPO of 2009-10

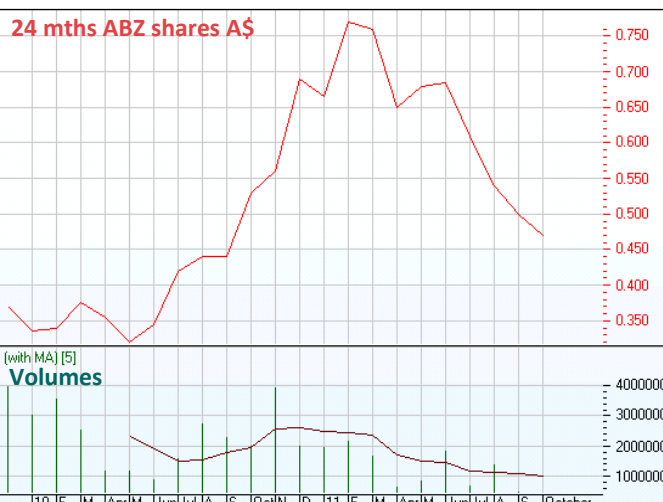
**ASX Code : ABZ Listed 24 Dec'09 at \$0.20**

Shares	100.6 million
Options	10.3 million
Market Cap (\$0.50)	\$55.5 million
Cash (30 June)	\$6.0 million = 2yr budget
Share range	\$0.30 to \$0.84
Avg Daily Volume	110,000

**Major Shareholders Shares %**

Hudson Resources*	55.6 million	55.3%
State One Capital	7.4 million	7.4%
Macquarie Funds	2.7 million	2.7%
Soul Pattinson	1.9 million	1.9%
Top 20 Holders	77.7 million	77.2%

\* Hudson shares escrowed to Dec' 11



### Board of Directors

Peter Meers	Non-executive Chairman
Ian Levy	CEO & Managing Director
Jacob Rebek **	Executive Director
Vincent Tan	Non-executive Director
Wei Huang	Non-executive Director
Henry Kinstlinger	Company Secretary

\*\* Chief Geologist Jacob Rebek is ex CRA (Rio) Chief Geologist, Led discovery team Century Zinc '93 & Eastern Australian Bauxite '06-09



6

## Business Overview

- 2 Projects at Pre-development stage
- 36 tenements 8,300 km<sup>2</sup> in QLD, NSW & Tas
- 3,300 drillholes totalling 30,100 metres
- Exploration Target 200Mt to 300Mt (big)
- Bauxite typically low silica, gibbsite bauxite
- No restrictions on bauxite exports
- Peers blocked by socio-environment
- Cash at 30 June' 11 = A\$6.0 million  
Annual expenditure = A\$3.3 million: Increasing

**PFS underway**

**100% owned**

**Drilling fast**

**84Mt already<sup>1</sup>**

**Premium**

**Can export**

**Many projects**

**2 yrs funded**

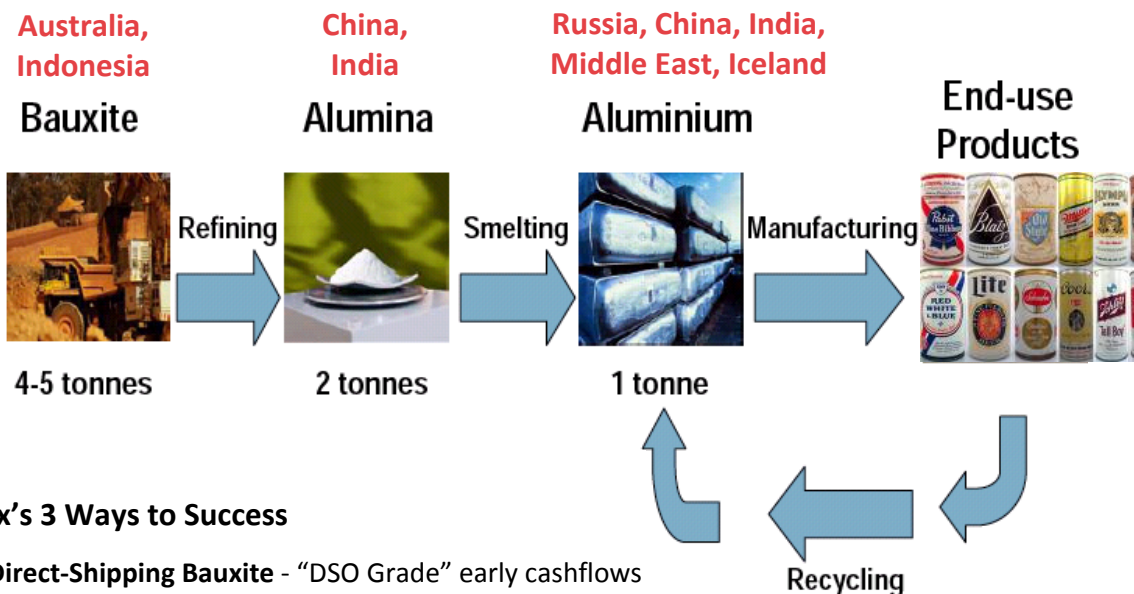
1. See JORC Statement & Exploration Target Statement Slides



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7

## Market Fundamentals



### ABx's 3 Ways to Success

1. **Direct-Shipping Bauxite** - "DSO Grade" early cashflows
2. **Upgraded, Consistent Bauxite** - higher revenue
3. **Major Bauxite Project and/or Alumina Refinery**
  - Needs +150 million tonnes of bauxite

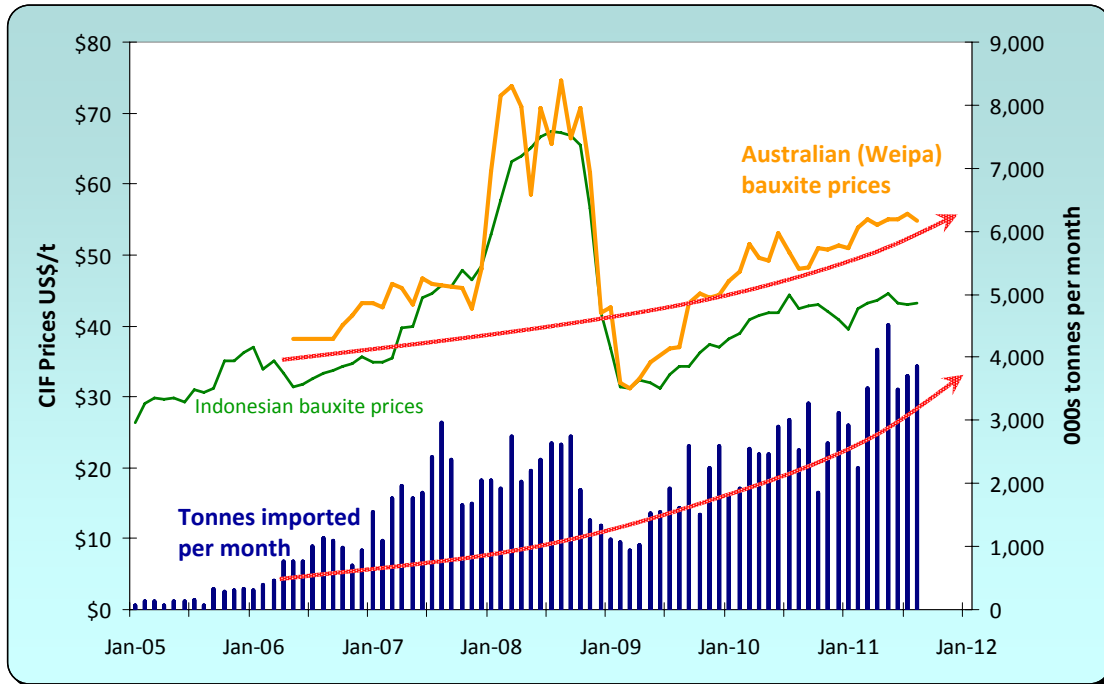
Sources: Alumina Limited  
Industrial Fact Sheets



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8

## China Bauxite Imports & Prices are Growing



China's Imports Rising Strongly to + 40Mtpa. Indonesian supply is "uncertain" after 2014  
AUSTRALIA'S OPPORTUNITY IS NOW !

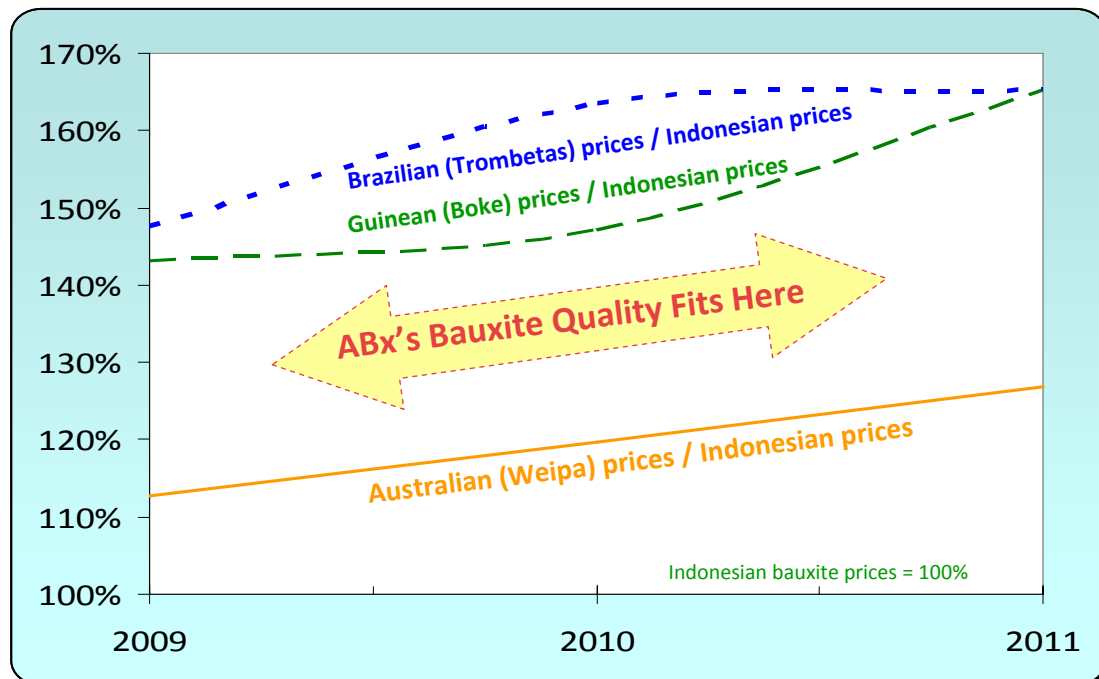
9

Sources: C&M, MBC & China Customs



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## Price Premiums for Quality are Growing



NEED TO CAPTURE QUALITY PREMIUM

Hence strategic alliance with trading house: Marubeni Group for first project

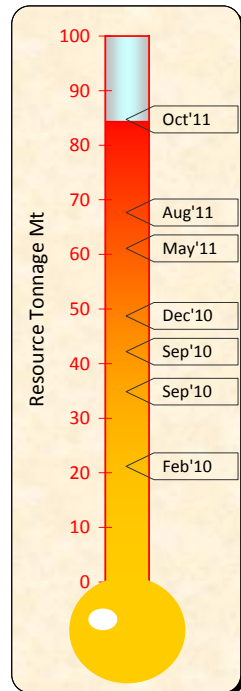
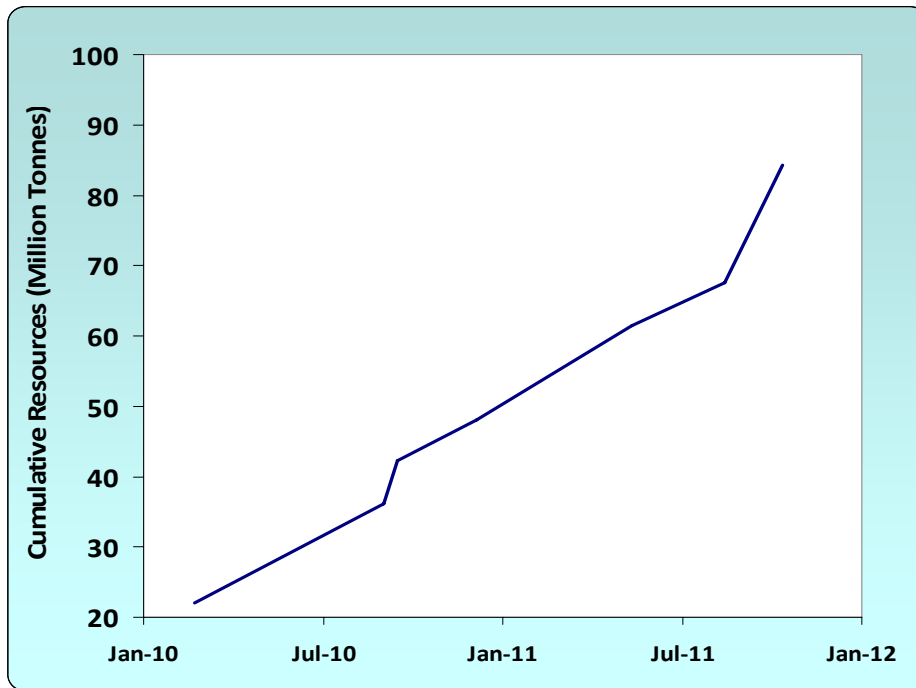
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Sources: C&M, reviews & direct inquiries



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# JORC Resources are Growing Strongly <sup>1</sup>



**TARGET IS 200 to 300 Million Tonnes. <sup>1</sup> All deposits drilled to date produce premium quality DSO export bauxite**

11

1. See JORC Statement Slides



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## Rapidly Growing Resource Base & Discoveries



**Binjour** : 16.8 million tonnes  
**high grade** bauxite <sup>1</sup>  
**+30Mt target <sup>1</sup>**

**Inverell** : 35 million tonnes <sup>1</sup>  
**& Guyra** 6 million tonnes <sup>1</sup>  
**+50Mt target <sup>1</sup>**

**Taralga** : 25 million tonnes <sup>1</sup>  
**+40Mt target <sup>1</sup>**

**Tasmania** : **Good bauxite**

**Total Resources: 84Mt today <sup>1</sup>**  
10%-25% of deposits tested  
High alumina 40%-50%  $Al_2O_3$   
Low silica 1.5%-4%  $SiO_2$   
Gibbsite (alumina-trihydrate "THA")

1. See Exploration Target Statement & JORC Statement slides

12



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## Excellent bauxite results at Binjour



**16.8 Million Tonnes<sup>1</sup>**  
**Maiden JORC Resource**

High Grade 44%  $\text{Al}_2\text{O}_3$   
Gibbsite 3.5%  $\text{SiO}_2$

Easily mined

Easily processed

Government-industry study  
of rail & port upgrade

**DRILLING NOW TO  
EXPAND RESOURCE**

1. See JORC Statement Slides

Bauxite Resources				Sieved at 0.26mm									
Resource category	Tonnes millions	Thick-ness	Over-burden	Al <sub>2</sub> O <sub>3</sub> Avl %	Rx SiO <sub>2</sub> %	Avl/Rx Ratio	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	A/S Ratio	Fe <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	LOI %	Yield %
Inferred	6.8	3.7 m	8.1 m	37.7	3.7	10.3	43.4	4.1	10.5	24.2	3.6	24.1	61%
Indicated	10.0	5.3 m	10.6 m	39.9	2.7	14.9	44.7	3.0	14.8	22.8	3.8	25.0	60%
TOTAL	16.8 Mt	4.5 m	9.3 m	39.0	3.1	12.7	44.2	3.5	12.7	23.4	3.7	24.6	61%

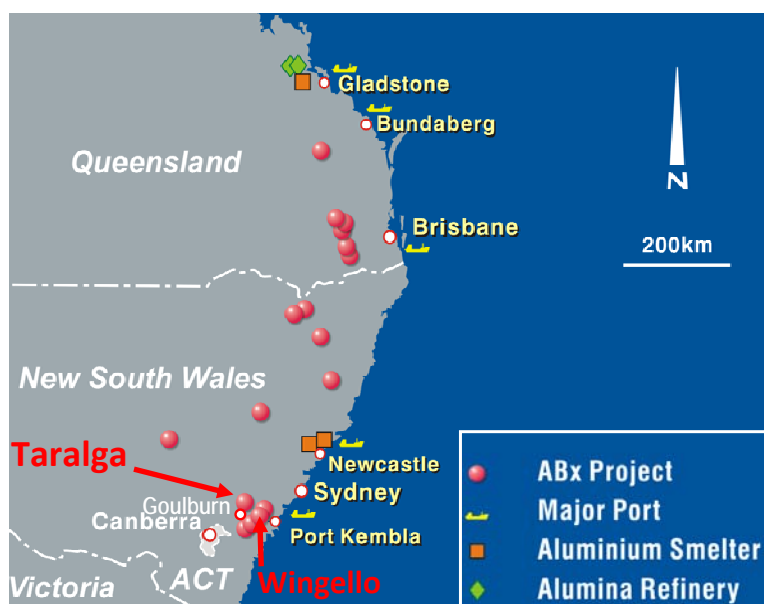
Leach conditions to measure available  $\text{Al}_2\text{O}_3$  avl & reactive Rx  $\text{SiO}_2$  were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Rx" ratio is (Available  $\text{Al}_2\text{O}_3$ )/(Reactive  $\text{SiO}_2$ ). "A/S" ratio is (Total  $\text{Al}_2\text{O}_3$ )/(Total  $\text{SiO}_2$ ). Values above 10 are excellent



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13

## Taralga Resources Doubled to 25m tonnes<sup>1</sup>



### Near Port Kembla

- 145km rail to Port
- DSO Grade ~ 50% of deposit
- New discoveries in Goulburn Area
- Goulburn Bauxite Project
- Prefeasibility Study underway
- Metallurgical results soon

- **MOST ADVANCED PROJECT**
- **GOULBURN BAUXITE PROJECT JV WITH MARUBENI**

1. See JORC Statement Slides

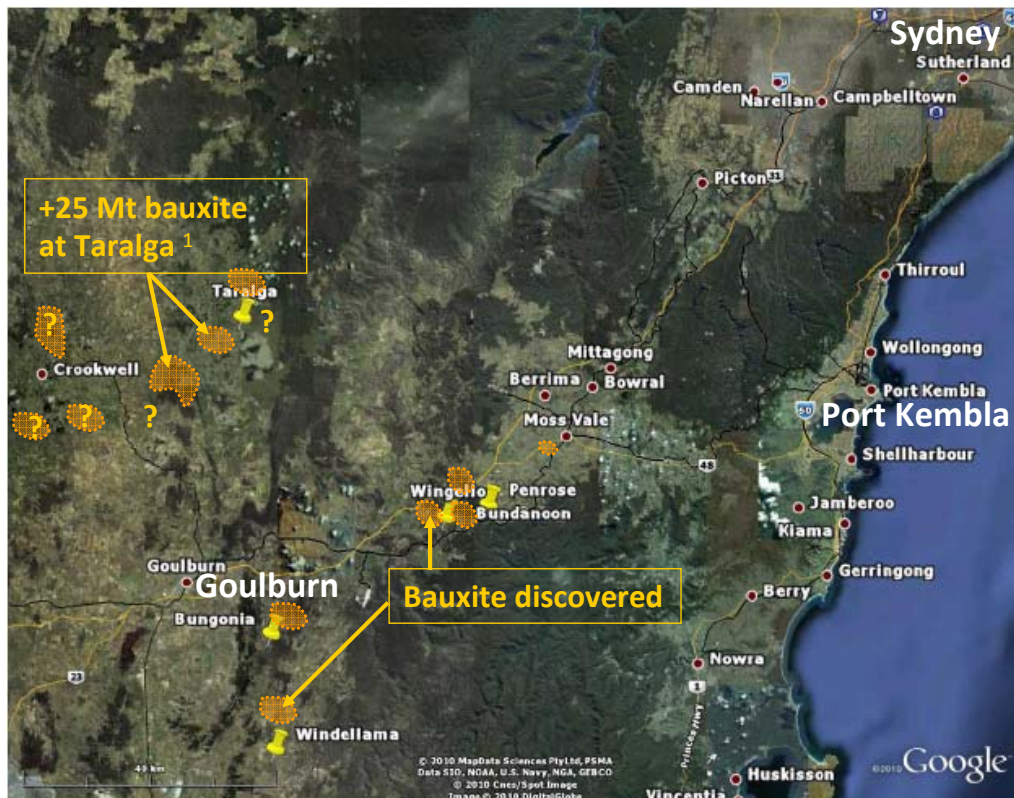


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14



# GOULBURN BAUXITE PROJECT : Taralga 25Mt<sup>1</sup>



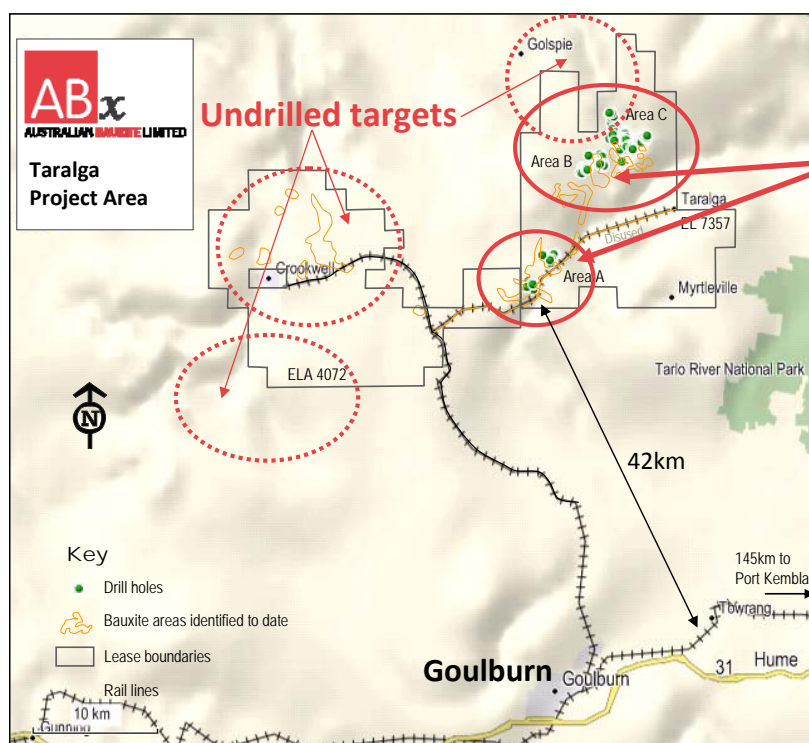
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1. See JORC Statement Slides



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## Taralga 25m tonnes<sup>1</sup> & growing. Near Port



16

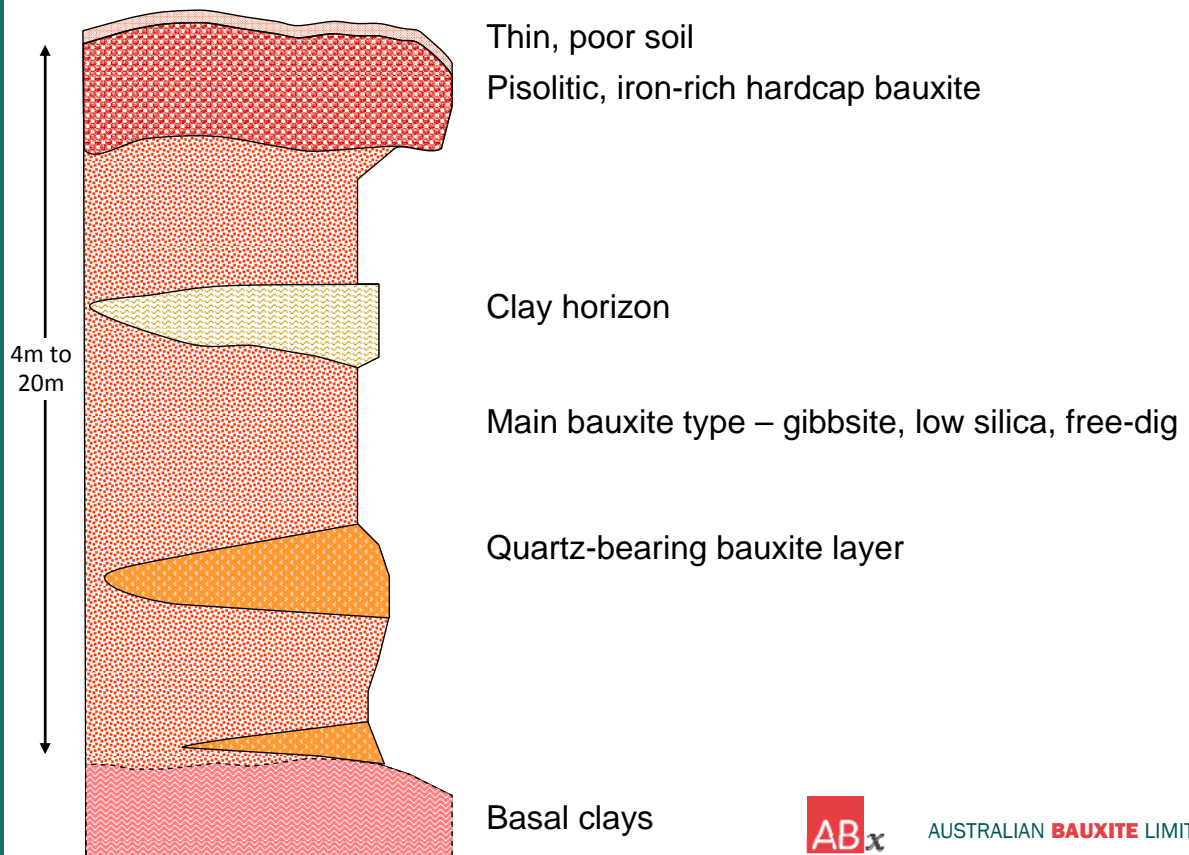
1. See JORC Statement Slides



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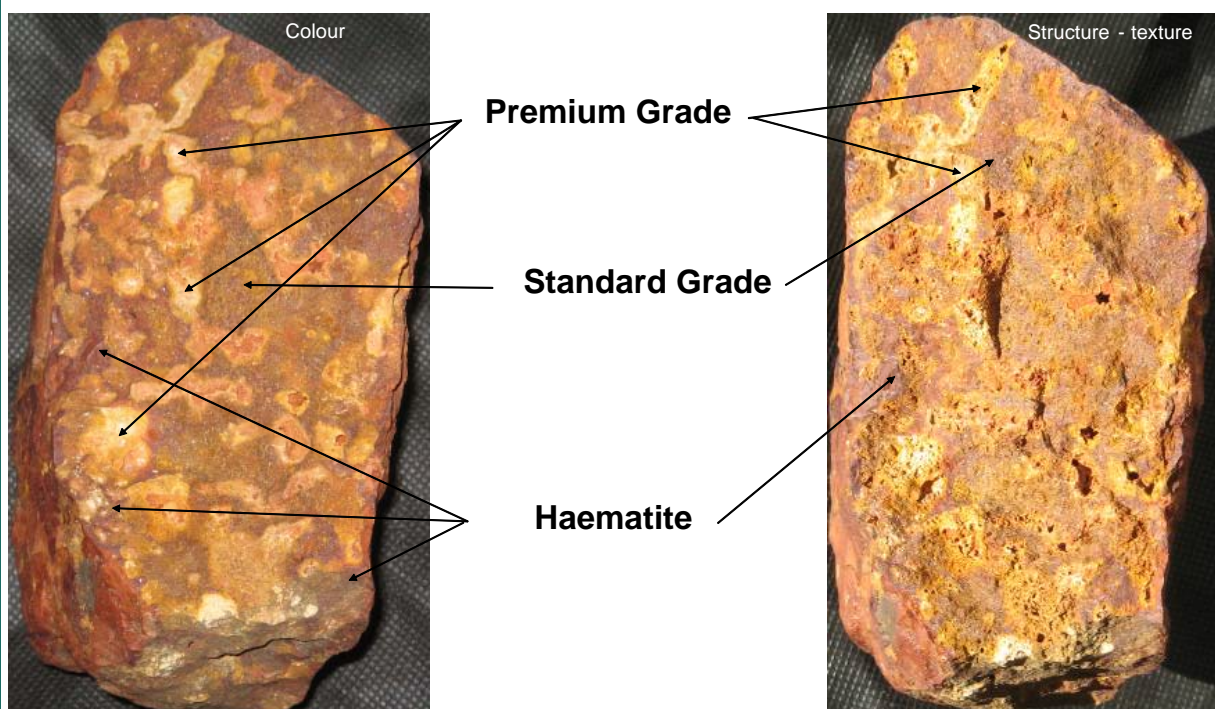
## Several bauxite types at Taralga (WA style)



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17

## Product Definition at Taralga Commenced



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18

## Port Kembla: new port being expanded

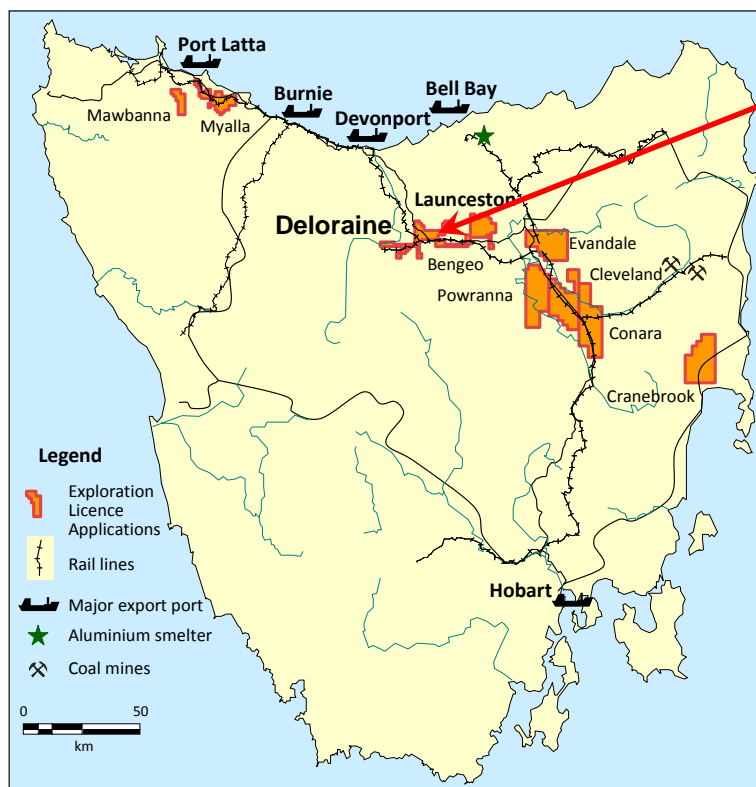


19



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## Tasmania – the New Frontier.



- Near rail and ports
- Farmland – mainly grazing
- Landholder support
- New leases secure deposits
- **DRILLING in Summer**

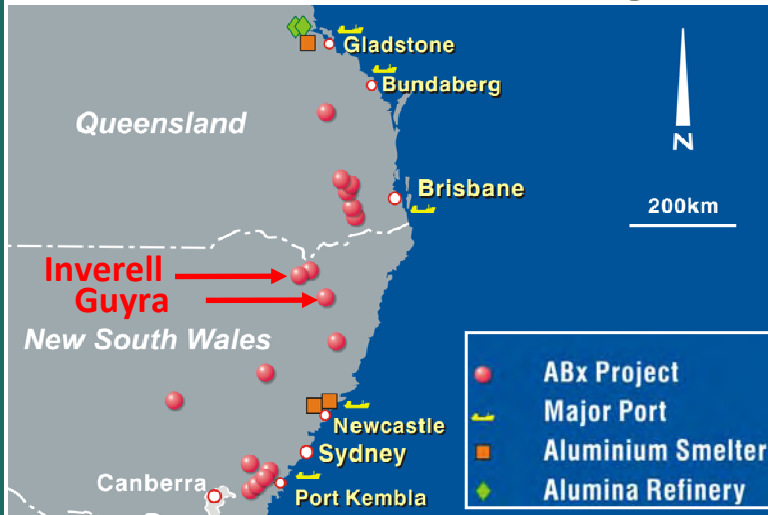
20



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# Inverell 35m tonnes<sup>1</sup> & growing. Large Deposits



- Consistent 5.6m thick
- Less than 20% tested yet
- **Nearby Pindaroi & Guyra have thick bauxite too.**

1. See JORC Statement Slides



Resource category	Tonnes Millions	Yield % at 0.26mm	Avl Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> Rx %	Avl/Srx ratio	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	A/S ratio	Fe <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %	LOI %
Inferred	11.7	60-70%	38.7	4.4	9.3	38.9	5.6	7.3	26.9	4.3	22.2
Indicated	24.2	65-75%	35.6	4.2	9.1	34.7	5.3	6.8	25.1	4.0	21.1
<b>Total</b>	<b>35.9</b>	<b>60-75%</b>	<b>36.6</b>	<b>4.2</b>	<b>9.2</b>	<b>37.1</b>	<b>5.4</b>	<b>6.9</b>	<b>25.7</b>	<b>4.1</b>	<b>21.4</b>

Leach conditions to measure available Avl Al<sub>2</sub>O<sub>3</sub> & reactive SiO<sub>2</sub> rx were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins.

"Avl/Srx" ratio is (Available Al<sub>2</sub>O<sub>3</sub>)/(Reactive SiO<sub>2</sub>).

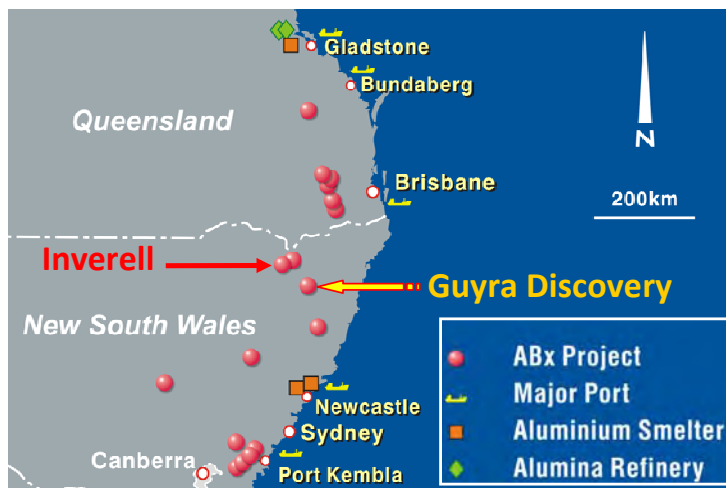
"A/S" ratio is (Total Al<sub>2</sub>O<sub>3</sub>)/(Total SiO<sub>2</sub>).



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21

# Guyra "Brown Sugar" Bauxite Discovery



## 6Mt Maiden Resource<sup>1</sup>

- **HIGH GRADE BAUXITE**
- Consistent 4 to 6m thick
- Less than 10% tested yet
- **NEXT TO RAIL LINE**

## Maiden JORC Resource

1. See JORC Statement Slides

Resource category	Tonnes millions	Thick-ness	Over-burden	Sieved at 0.26mm								LOI %	Yield %
				Al <sub>2</sub> O <sub>3</sub> Avl %	Rx SiO <sub>2</sub> %	Avl/Rx Ratio	Al <sub>2</sub> O <sub>3</sub> %	SiO <sub>2</sub> %	A/S Ratio	Fe <sub>2</sub> O <sub>3</sub> %	TiO <sub>2</sub> %		
Inferred	2.3	4.2 m	3.4 m	35.0	2.8	<b>12.5</b>	41.4	3.6	<b>11.6</b>	26.2	3.3	24.6	56%
Indicated	3.8	5.9 m	4.4 m	37.4	2.0	<b>18.3</b>	43.1	2.6	<b>16.3</b>	27.3	3.9	24.5	61%
<b>TOTAL</b>	<b>6.0 Mt</b>	<b>5.3 m</b>	<b>4.0 m</b>	<b>36.5</b>	<b>2.3</b>	<b>15.8</b>	<b>42.5</b>	<b>3.0</b>	<b>14.3</b>	<b>26.9</b>	<b>3.7</b>	<b>24.5</b>	<b>59%</b>

Cut-off grades applied: Minimum 30% Al<sub>2</sub>O<sub>3</sub>, 2m thickness, 45% yield. Maximum strip ratio (metres overburden:bauxite) 3:1.

Leach conditions to measure available alumina "Al<sub>2</sub>O<sub>3</sub> Avl" & reactive silica "Rx SiO<sub>2</sub>" is 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Rx" ratio is (Al<sub>2</sub>O<sub>3</sub> Avl)/(Rx SiO<sub>2</sub>). Values above 10 are excellent. "A/S" ratio is Al<sub>2</sub>O<sub>3</sub>/SiO<sub>2</sub>. Tonnage is for bauxite in-situ. Yield is for screening all samples at 0.26mm. The significant tonnages requiring no upgrade will have 100% yield.



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22

## Landholder Relations – the key task



23



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## Why Mine Australian Bauxite? **We do it better**

### Alumina-Alcoa's Rehabilitation in WA



A mined area at Huntly prior to rehabilitation



The same mine pit after rehabilitation

**At Australian Bauxite Limited, our policy is to only operate where we are welcomed and to leave the land at least as good as we found it, and in many cases, better.**

**If the land is prime agricultural land, it is unlikely to be underlain by bauxite. Bauxite infested areas tend to be drier and less fertile – with boulders of bauxite. We have a strong track record of respecting both strategic agricultural land and important ecosystems. We strive to be a respected corporate citizen wherever we operate.**

24



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