



ASX : ABZ

## ASX ANNOUNCEMENT

12 May 2011

### CEO Presentation at Resources Round Up

In accordance with the requirements of Listing Rule 3.1 we submit the attached material being presented at the RIU Sydney Resources Round Up being held at the Sofitel Sydney Wentworth Hotel.

Mr Ian Levy, CEO is making the presentation.

The presentation will commence at 11:50 am on Friday 13<sup>th</sup> May 2011.

Australian Bauxite is exhibiting and is located at Stand 23. Shareholders and the public are welcome to attend the exhibition and presentation.

### For further information please contact

Investor Relations, Henry Kinstlinger

Telephone: +61 2 9251 7177

#### About Australian Bauxite Limited: ASX Code ABZ

Australian Bauxite Limited (ABx) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 33 bauxite tenements in Queensland, NSW and Tasmania covering more than 7,500 km<sup>2</sup> were rigorously selected on 3 principles:

1. good quality bauxite;
2. proximity to infrastructure connected to export ports; and,
3. 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 knowledge 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 resource of 36 million tonnes has been reported from drilling 15 to 20% of the area prospective for bauxite and a 25 million tonne resource at Taralga near Goulburn, southern NSW. 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 significant bauxite developments in three states - Queensland, New South Wales and Tasmania. Its bauxite deposits are favourably located for direct shipping of bauxite to both local and export customers. Laboratory results from recent drilling of the ABx discoveries of bauxite in Tasmania are yet to be evaluated, however, bauxite is confirmed to extend over relatively large areas.

# AUSTRALIAN BAUXITE LIMITED

13 May 2011

## Two Possible Projects Identified

Bauxite is the ore for aluminium and alumina

**ASX Code “ABZ”**

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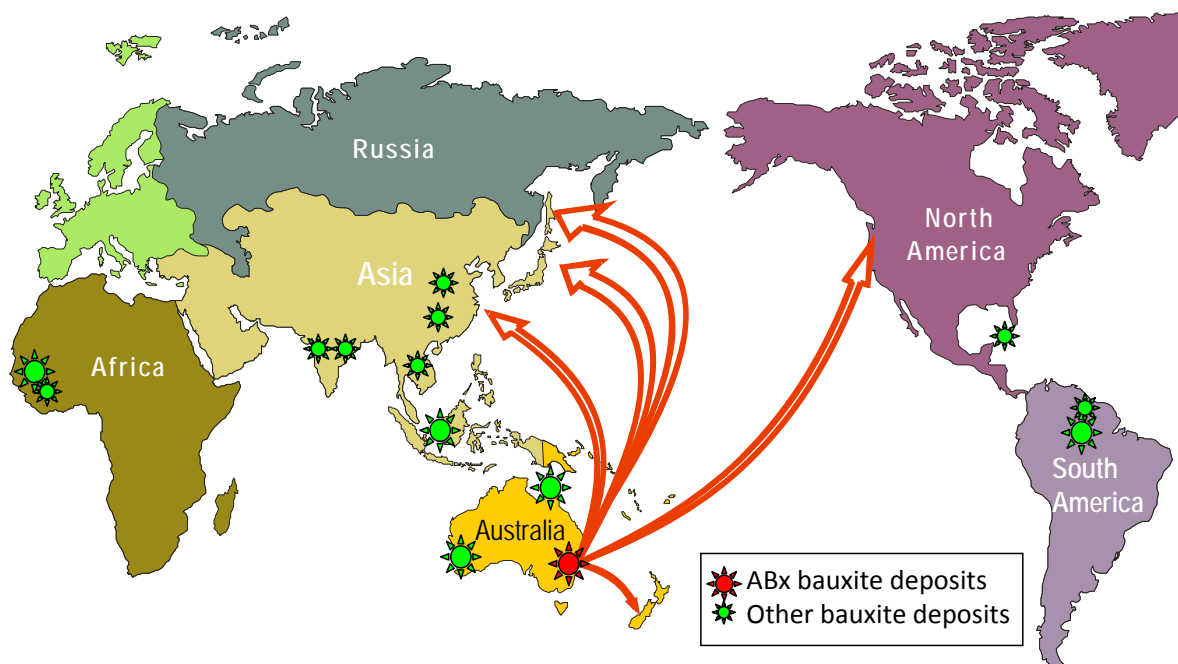
Ian Levy, CEO

Mob: 0407 189 122

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



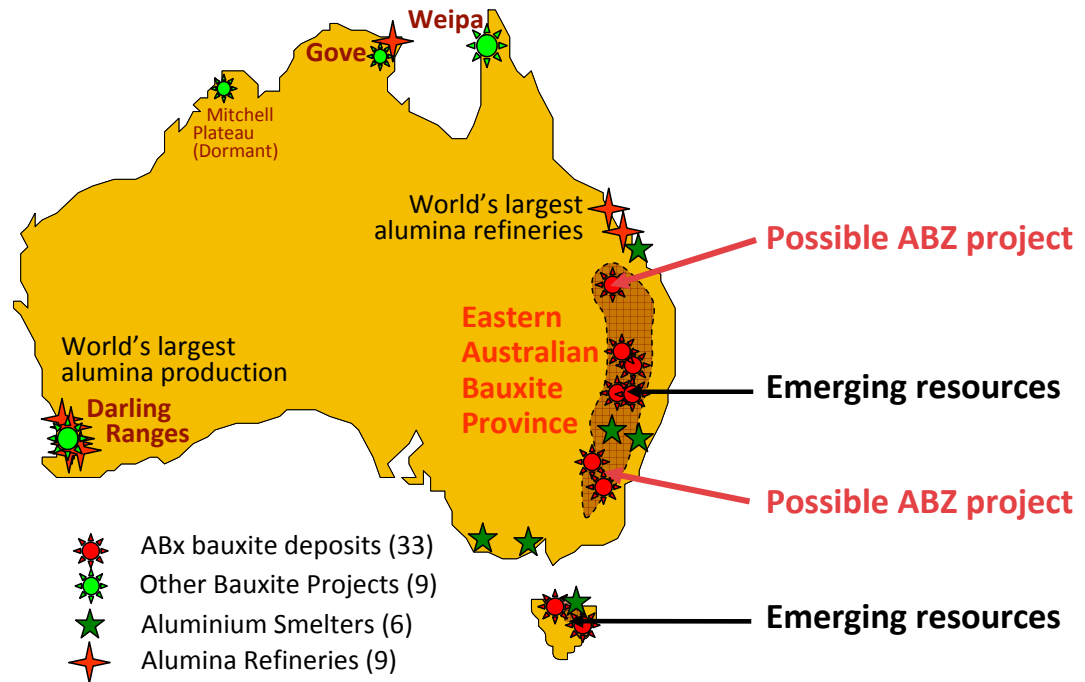
**Australia & Indonesia supply China's huge refineries**

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



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



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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 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 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.



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## Company Overview

- 2 Projects at Pre-development stage **PFS underway**
- 34 tenements 7,600 km<sup>2</sup> in QLD, NSW & Tas **100% owned**
- 2,200 drillholes totalling 19,400 metres **Drilling fast**
- Exploration Target 200Mt to 300Mt (big) **60Mt already**
- Bauxite Ore typically low silica, gibbsite bauxite **Premium**
- No restrictions on bauxite exports **Can export**
- Peers blocked by **socio-environment** **Many projects**
- 100.6m shares @ 62 cents = A\$63m market cap **Undervalued**
- Cash at 30 March = A\$7.6 million **2 yrs funded**  
Annual expenditure = A\$3.6 million **No plans for fund raising**



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## Corporate Structure

- Shares 100.6 million plus up to 12.5m ESOP and success options
- Shareholders 792 **and growing**
  - Hudson Resources (founder) 55.6m (55.4%) escrowed to Dec 2011
  - State One 7.4m ( 7.3%)

## Management

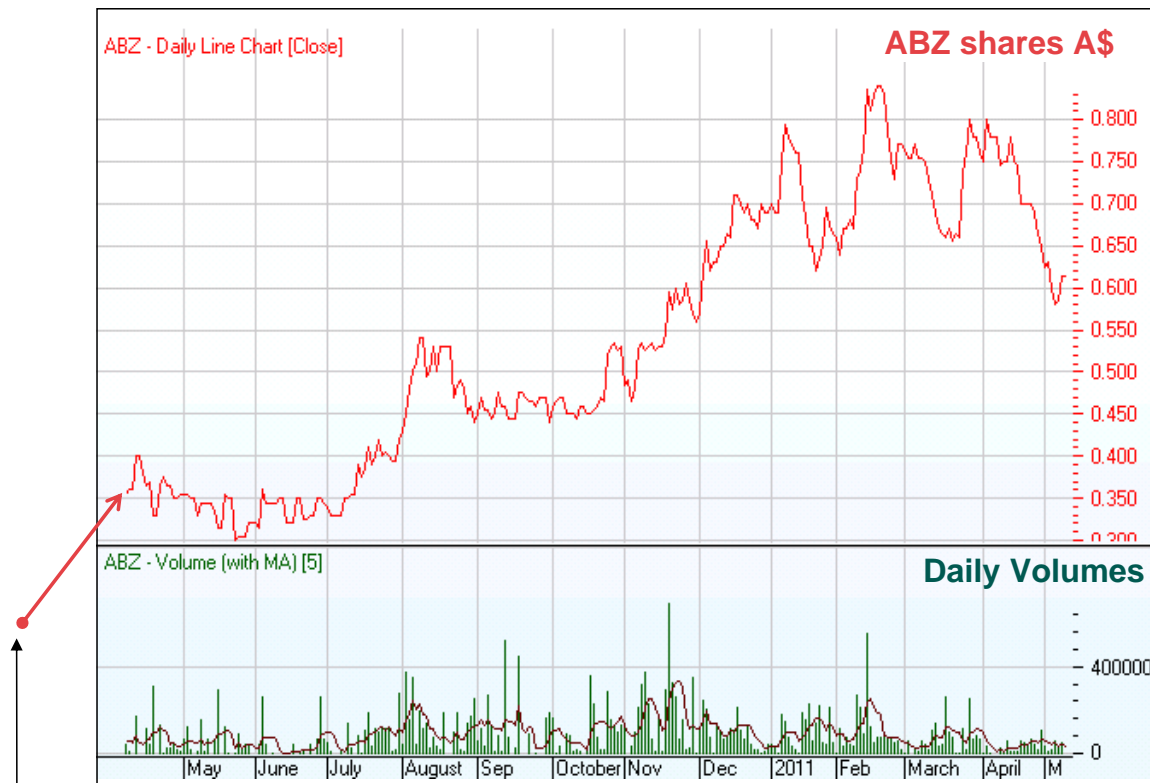
- Directors P Meers, I Levy, J Rebek, V Tan, W Huang  
Secretary: H Kinstlinger
- Expertise Jacob Rebek – ex CRA (Rio) Chief Geologist  
Discovered Century Zinc 1993  
& Eastern Australian Bauxite Province 2006-09



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## Share Performance: ABZ 4<sup>th</sup> best performing IPO of 2009 - 10



**ABZ IPO @ A\$0.20 24 Dec 2009**  
**300% increase in 16 months**



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## Strategy: ways to success. DSO, then Upgraded Bauxite

1. **Direct-Shipping Bauxite “DSO” early cashflows**
  - Near-rail/ports: Southern NSW First? Central QLD?
  - Simple projects: Dig, screen, ship
  - Potential customers/partners identified
2. **Upgraded, Consistent Bauxite (higher revenues)**
  - Adds value, reduces freight
3. **Major Bauxite Project and/or Alumina Refinery**
  - Regional targets exceed 200 million tonnes bauxite
  - Major investment – needs strategic alliances
  - Potential partners identified

**PRE-FEASIBILITY STUDIES COMMENCED**



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# Market Fundamentals

Australia,  
Indonesia

Bauxite



4-5 tonnes

Refining



China,  
India

Alumina

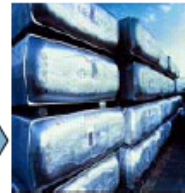


2 tonnes

Smelting

Russia, China, India,  
Middle East, Iceland

Aluminium



1 tonne

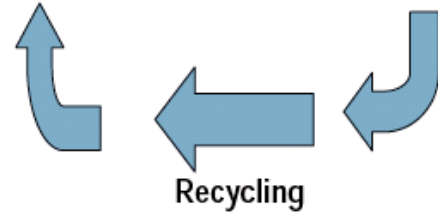
Manufacturing

End-use  
Products



**Aluminium: The most modern metal.**

Bauxite export is unaffected by carbon tax

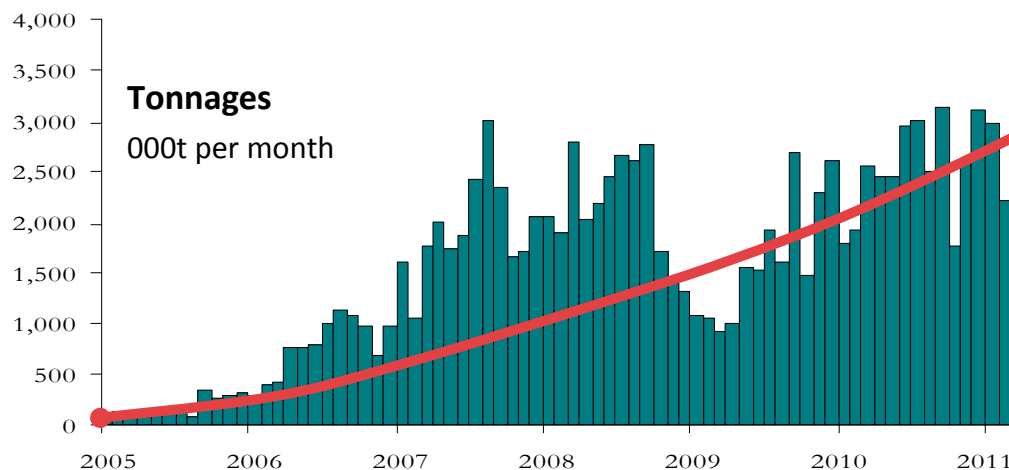
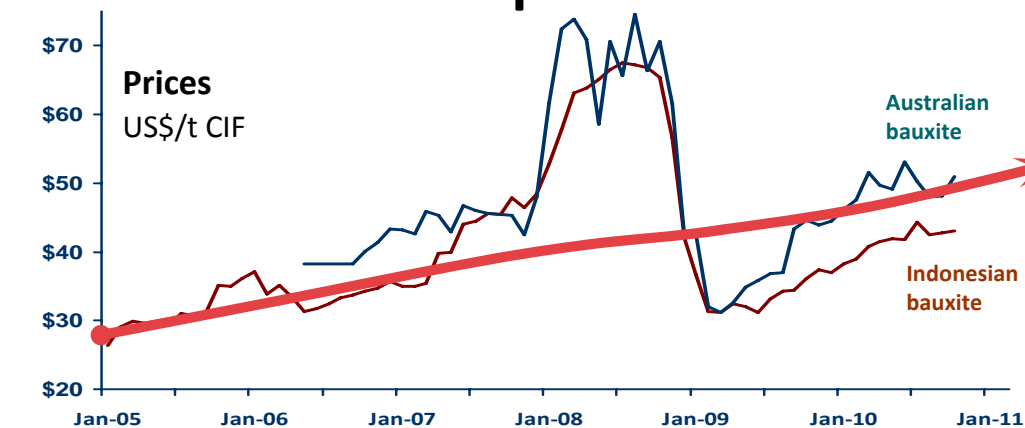


Sources: Alumina Limited  
Industrial Fact Sheets



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## China Bauxite Imports & Prices Growing



Sources: CM, MBC & China Customs



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# Rapidly Growing Resource Base & Discoveries



**Binjour** : **high grade** bauxite.  
**+10Mt target\***

**Inverell** : 35 million tonnes,  
**+50Mt target\***

**Taralga** : 25 million tonnes  
**+35Mt target\***

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

**Total Resources: 60Mt today\***

5%-20% of deposits tested

High alumina 40%-50%  $\text{Al}_2\text{O}_3$

Low silica 1.5%-4%  $\text{SiO}_2$

Gibbsite (alumina-trihydrate "THA")

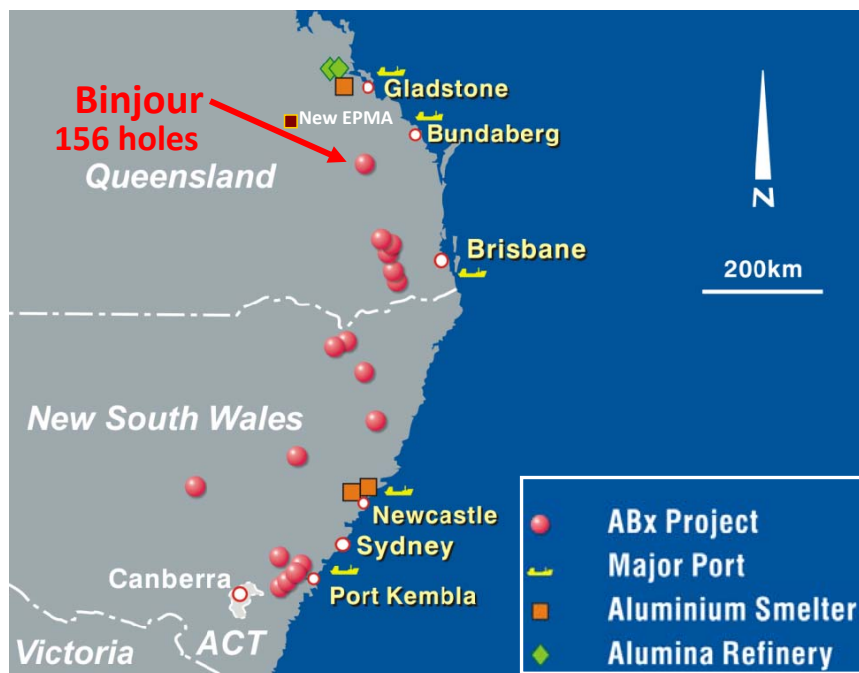
\* See Exploration Target Statement  
& JORC Statement



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## Excellent bauxite results at Binjour



**High Grade** 45%  $\text{Al}_2\text{O}_3$   
**Gibbsite** 2%  $\text{SiO}_2$

**Easily mined**

**Rail Line through the deposit** needs expansion

**Government-industry study of rail upgrade**

**DRILLING SOON**

					Leach 143degC Analyses			Total Analyses for Sieved at 0.26mm					
19 Holes	From m	To m	Length m	Yield % wt	$\text{Al}_2\text{O}_3$ avl %	Rx $\text{SiO}_2$ %	Avl/Rx ratio	$\text{Al}_2\text{O}_3$ %	$\text{SiO}_2$ %	A/S ratio	$\text{Fe}_2\text{O}_3$ %	$\text{TiO}_2$ %	LOI %
Average	8.6	13.9	5.3	66%	41.1	1.9	21.6	45.1	2.2	20.6	23.0	3.6	25.5

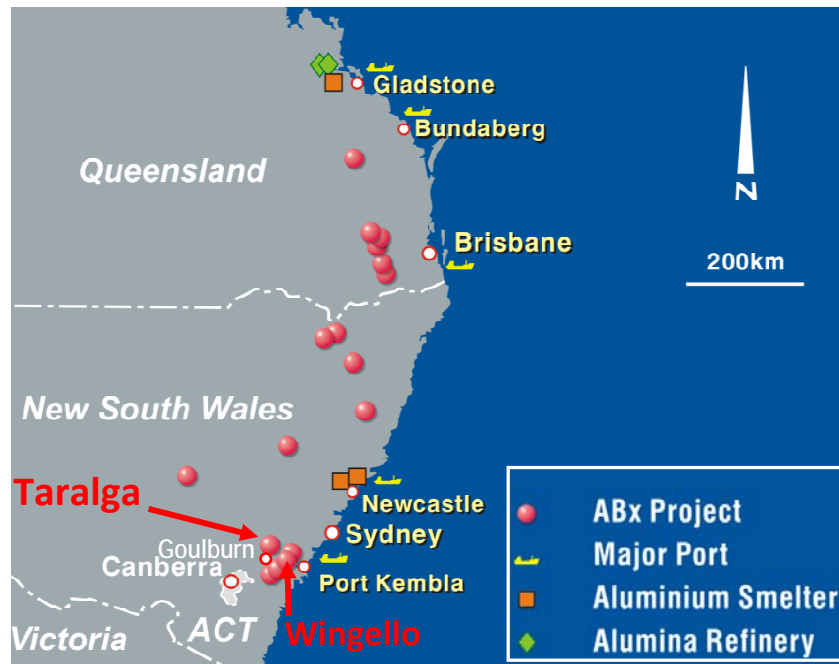
Leach conditions to measure available  $\text{Al}_2\text{O}_3$  avl & reactive Rx  $\text{SiO}_2$  were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Rx" ratio is (Available  $\text{Al}_2\text{O}_3$ )/(Reactive  $\text{SiO}_2$ ). "A/S" ratio is (Total  $\text{Al}_2\text{O}_3$ )/(Total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



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# Taralga Resources Doubled to 25m tonnes



## Near Port Kembla

- 145km rail to Port
- DSO ~ 50% of deposit
- New discoveries in Goulburn Area
- Goulburn Bauxite Project
- Prefeasibility Study baseline studies underway

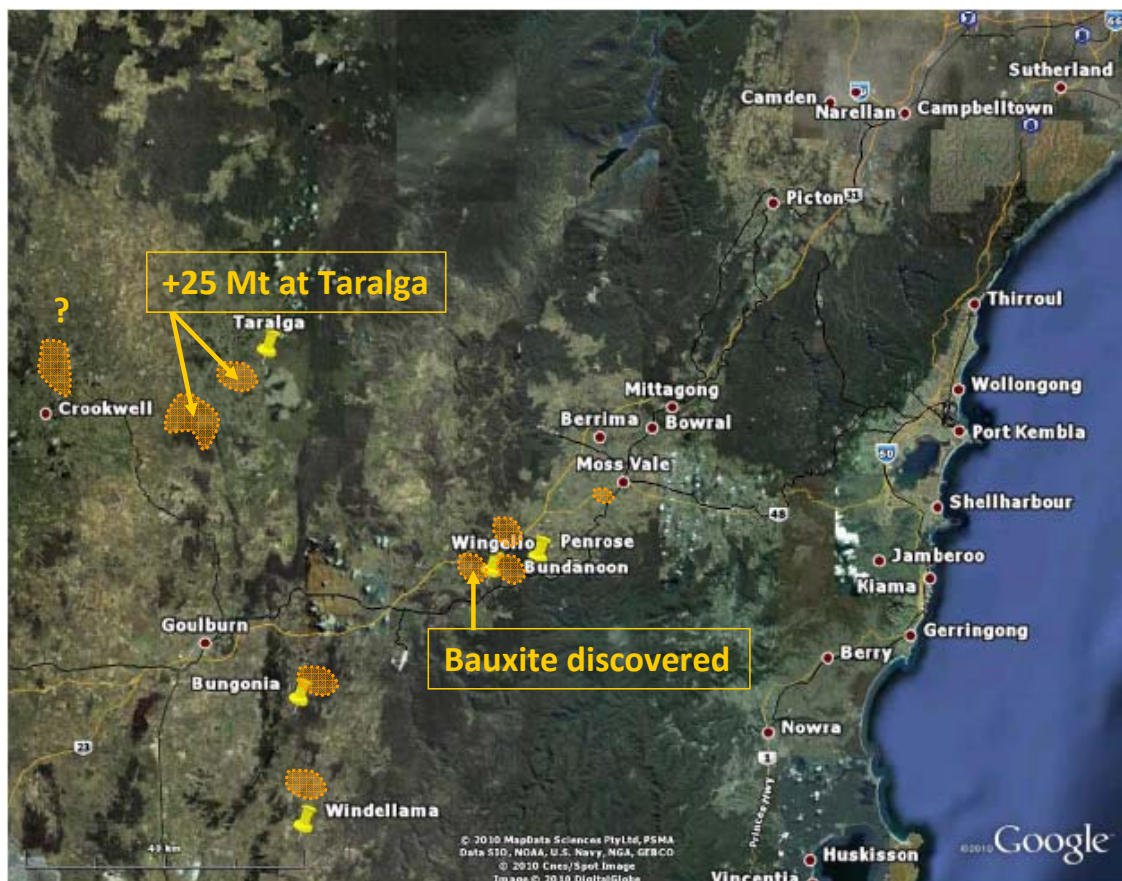
- **MOST ADVANCED PROJECT**
- **GOULBURN BAUXITE PROJECT**

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## GOULBURN BAUXITE PROJECT : Taralga 25Mt



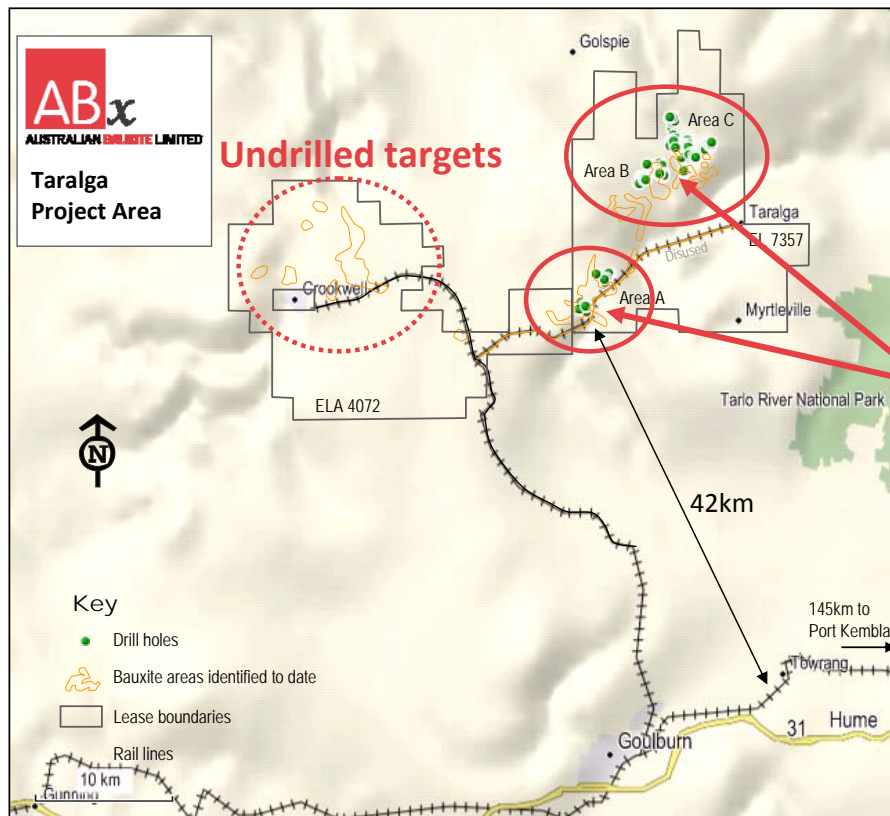
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# Taralga 25m tonnes & growing. Near Port



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## Port Kembla: being expanded

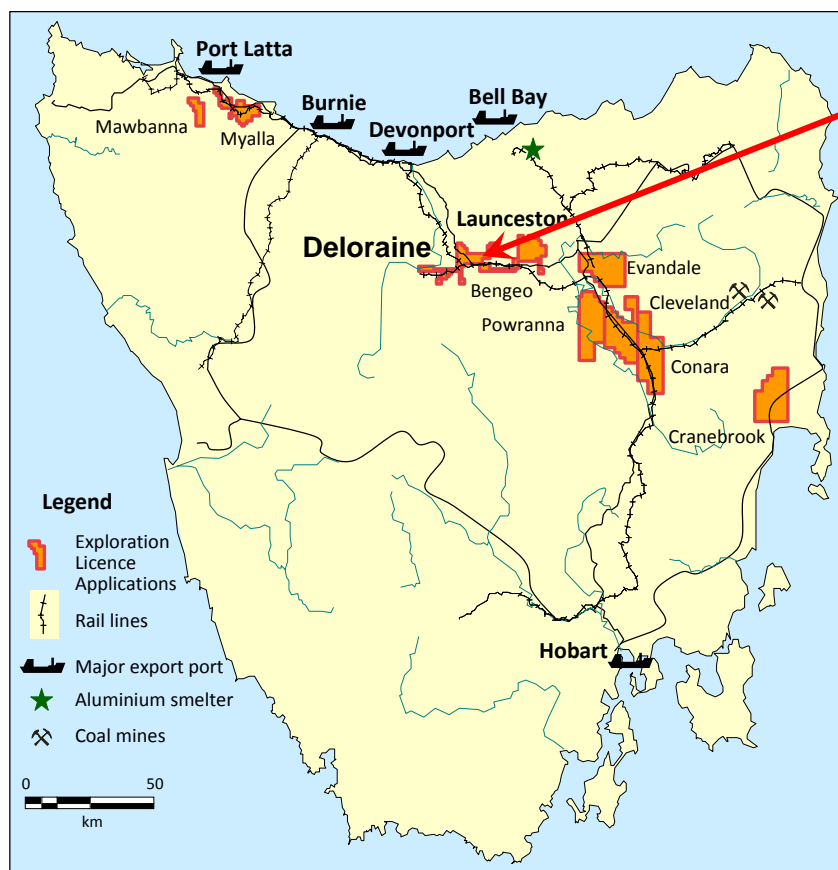


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# Tasmania – the New Frontier.



- Near rail and ports
- Farmland – mainly grazing
- Landholder support
- New leases secure deposits
- **DRILLING 3Qtr 2011 (Weather Permitting)**



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# Tasmania – the New Frontier.



- Lab results starting to arrive from early holes
- Early holes are not in main targets BUT:
- Ore grades are being encountered in Tas.
- **New leases cover large extensions**
- **DRILLING IN 2011**

Hole: DL 025			Leach 143degC			Total Analyses					
From	To	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>	LOI
m	m	% wt	%	%		%	%		%	%	%
0	1	62%	31.4	4.5	7.0	38.2	9.6	4.0	26.0	2.9	22.3
1	2	77%	41.4	0.7	59.1	44.4	1.1	41.1	25.6	2.7	25.5
2	3	78%	44.1	0.9	49.0	46.4	1.3	36.8	22.2	2.9	26.5
3	4	80%	40.2	1.5	26.8	44.3	2.0	21.7	24.4	3.1	25.4
4	5	62%	37.8	2.6	14.5	42.9	3.3	13.1	25.3	3.2	24.5
5	6	56%	33.9	5.1	6.6	40.6	5.8	7.0	25.9	3.8	22.9
6	7	77%	28.9	5.8	5.0	37.2	6.7	5.6	29.2	3.9	21.5

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>).

Values above 10 are excellent

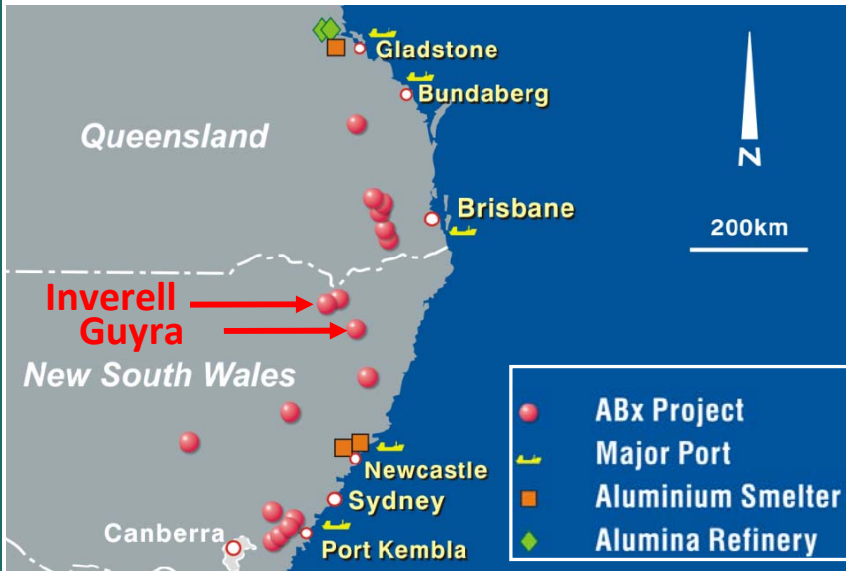


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# Inverell 35m tonnes & growing. Large Deposits



- Resources increased 64%
- Consistent 5.6m thick
- Less than 20% tested yet
- **Nearby Pindaroi & Guyra have thick bauxite too.**



Resource category	Tonnes Millions	Yield % at 0.26mm	Avl $Al_2O_3$ %	$SiO_2$ Rx %	Avl/Srx ratio	$Al_2O_3$ %	$SiO_2$ %	A/S ratio	$Fe_2O_3$ %	$TiO_2$ %	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>	36.6	4.2	9.2	37.1	5.4	6.9	25.7	4.1	21.4

Leach conditions to measure available Avl  $Al_2O_3$  & reactive  $SiO_2$  rx were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins.

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Values above 10 are excellent



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## Landholder Relations – the key task



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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 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 hope to be a respected corporate citizen wherever we operate.**

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Bauxite Drilling



*Better Bauxite*

Tel: +61 (0) 2 9251 7177  
[www.australianbauxite.com.au](http://www.australianbauxite.com.au)

### Schematic section



**S<sup>th</sup> QLD Bauxite drilled May - July 2010**

Haden EPM17830 in QLD: bauxite outcrop.

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