

# AUSTRALIAN BAUXITE LIMITED

19 April 2011

## Two Possible Projects Identified

Bauxite is the ore for aluminium and alumina

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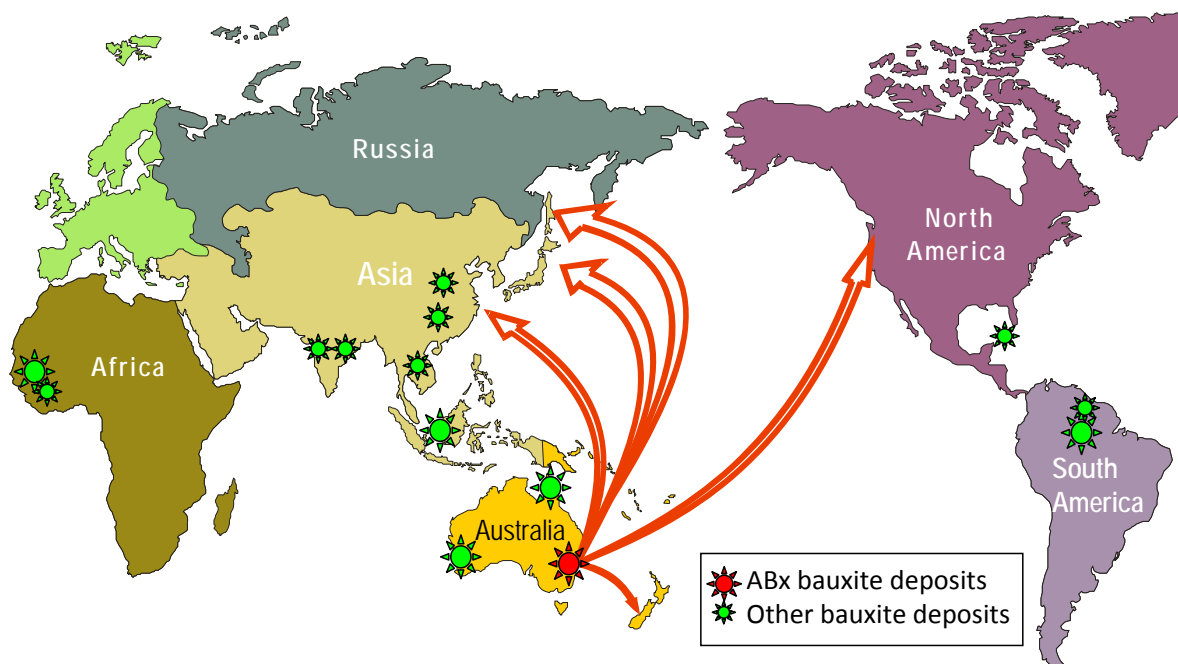
Ian Levy, CEO

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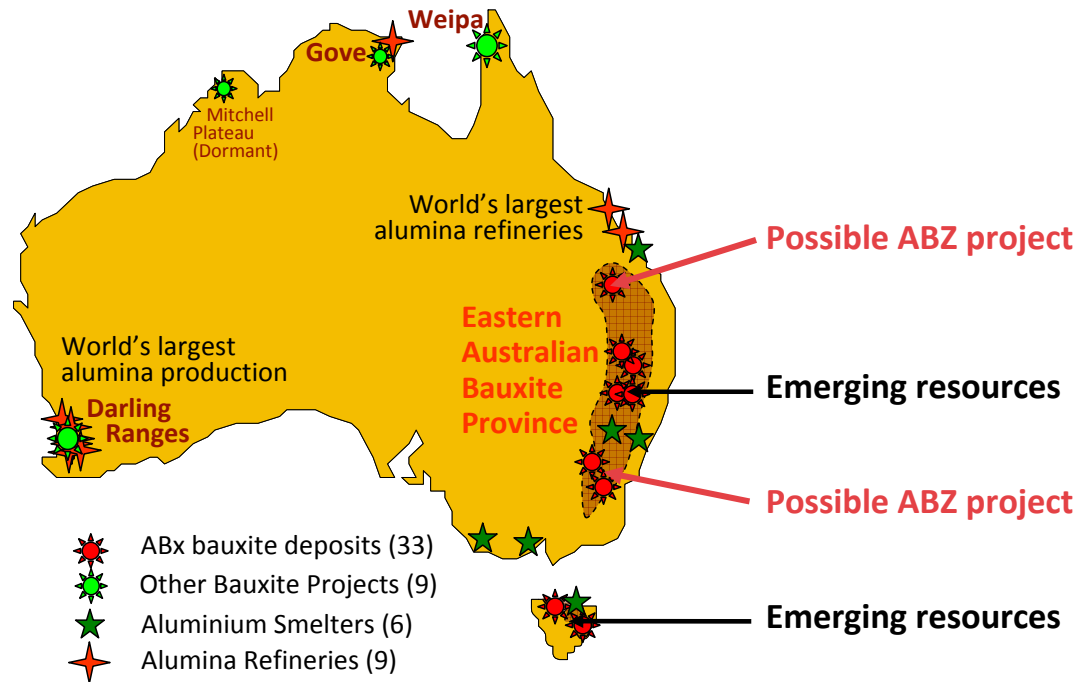
## Mission 1 Sell bauxite products to Asia-Pacific especially China



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

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



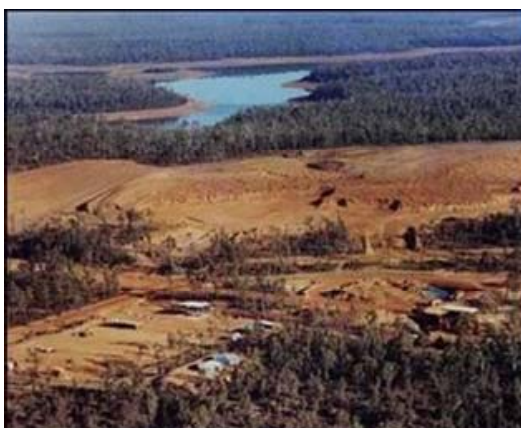
**No new bauxite mines in 30 years.**  
**STARTING TO EXPAND NOW**



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## 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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## Company Overview

- 2 Projects at Pre-development stage **Decision Time?**
- 33 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 **200Mt is big**
- 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 @ 70 cents = A\$70m market cap **Undervalued**
- Cash at 1 January = A\$8.6 million **2.5 years**  
Annual expenditure = A\$3.6 million **funded**

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## Corporate Structure

- Shares 100.6 million plus up to 12.5m ESOP and success options
- Shareholders 792 **and growing steadily**
  - 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 12 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

**DISCUSSIONS CONTINUING – DECISION TIME?**

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# Market Fundamentals

Australia,  
Indonesia

Bauxite



4-5 tonnes

Refining



China, India  
Australia

Alumina

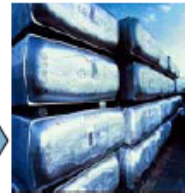


2 tonnes

Smelting

Russia, China, India,  
Middle East, Iceland

Aluminium



1 tonne

Manufacturing

End-use  
Products



Recycling

## Aluminium: The most modern metal.

- Low weight for transport fuel-efficiency
- Hi electric efficiency – saves powerline losses
- Hi heat transfer for colder beer !
- Ideal for computers, phones & consumer items
- High recycling for environmental benefits

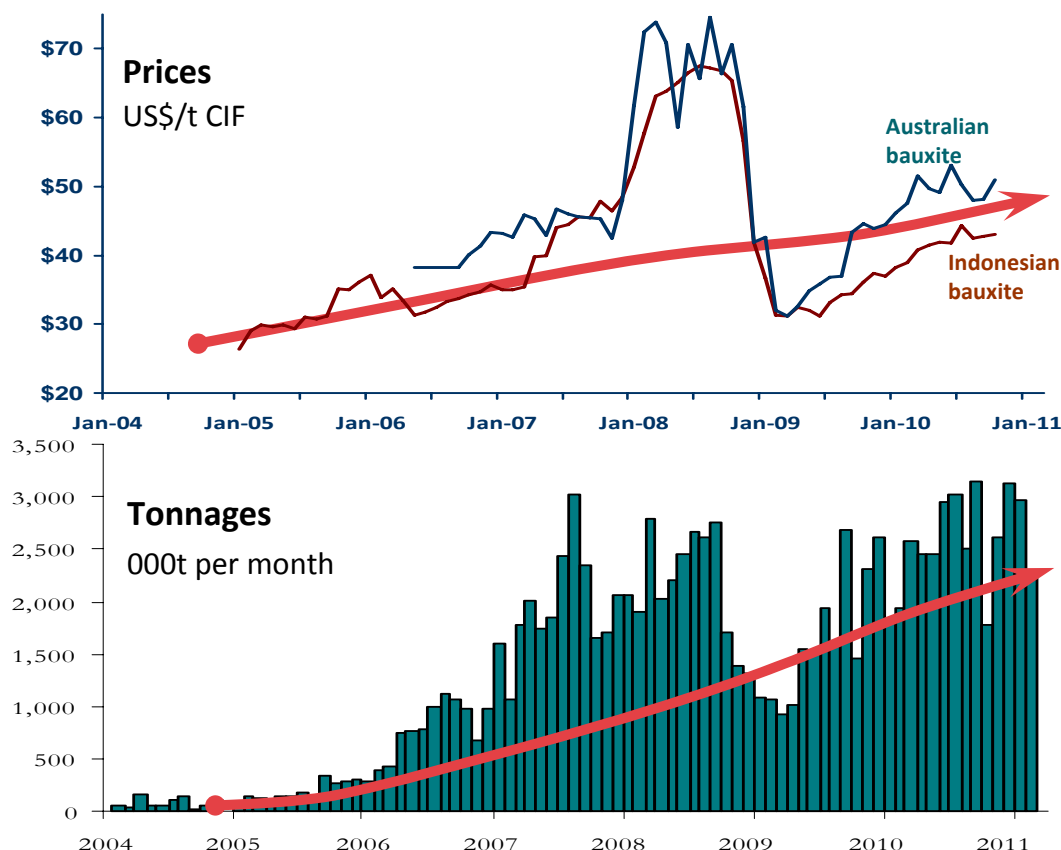
Bauxite export is unaffected by carbon tax

Sources: Alumina Limited  
Industrial Fact Sheets



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## China Bauxite Imports & Prices Growing



**Bauxite Prices  
Rising Strongly**

**China's Imports  
Rising Strongly:  
Tripled in 5 years  
to 30Mtpa**

**Indonesian sources  
are "questionable"**

**AUSTRALIA'S  
OPPORTUNITY IS  
NOW !**

Sources: CM, MBC & China Customs



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# Rapidly Growing Resource Base & Discoveries



**Binjour** : **high grade** bauxite.  
Drill again in May **+10Mt target\***

**Inverell** : 35 million tonnes,  
5.3m thick bauxite **+50Mt target\***

**Taralga** : 12 million tonnes,  
very thick, **+25Mt target\***

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

**Total Resources: 47Mt 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")

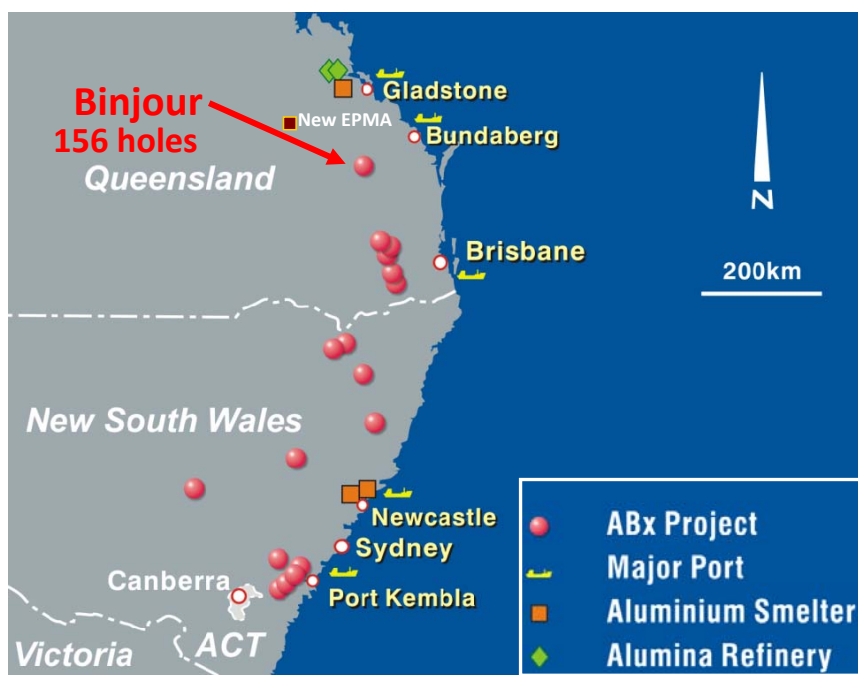
\* See Exploration Target Statement  
& JORC Statement



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## Excellent bauxite results at Binjour



### Status

The deposit is high grade

We have customers nearby

Mineability is easy

Rail Line next to deposit

Rail tonnage capacity needs  
expansion

ABX is part of a government-  
industry study group for rail  
upgrades

**DRILLING IN MAY**

					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

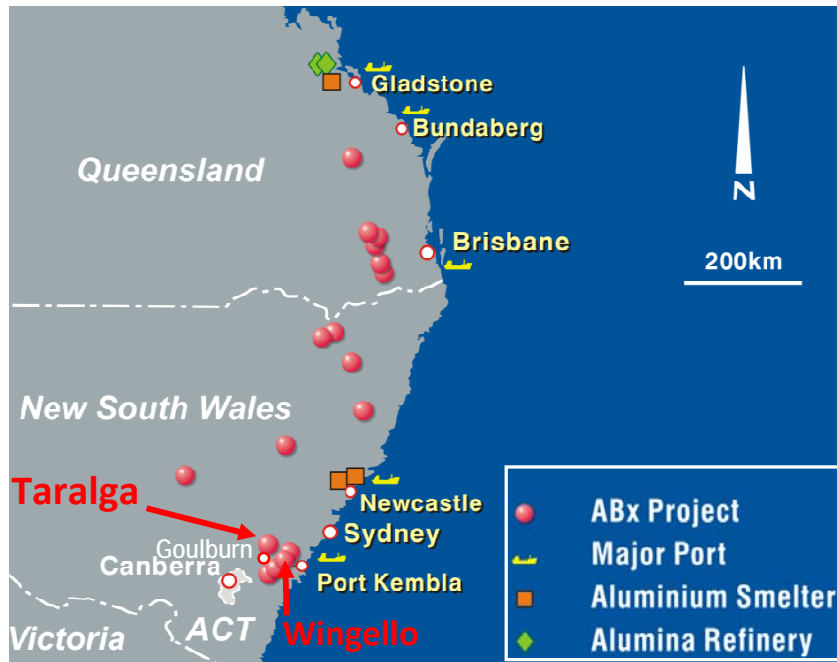
Leach conditions to measure available  $\text{Al}_2\text{O}_3$  avl & reactive Rx  $\text{SiO}_2$  were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Rx" ratio is (Available  $\text{Al}_2\text{O}_3$ )/(Reactive  $\text{SiO}_2$ ). "A/S" ratio is (Total  $\text{Al}_2\text{O}_3$ )/(Total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



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# Taralga 12m tonnes & growing. Near Port



## Status

- 145km Goulburn to Port Kembla by rail
- Large rail capacity
- Existing mineral export port facility with capacity
- Less than 20% tested yet
- **DSO ~ 50% of deposit**
- **New discoveries are increasing the potential**

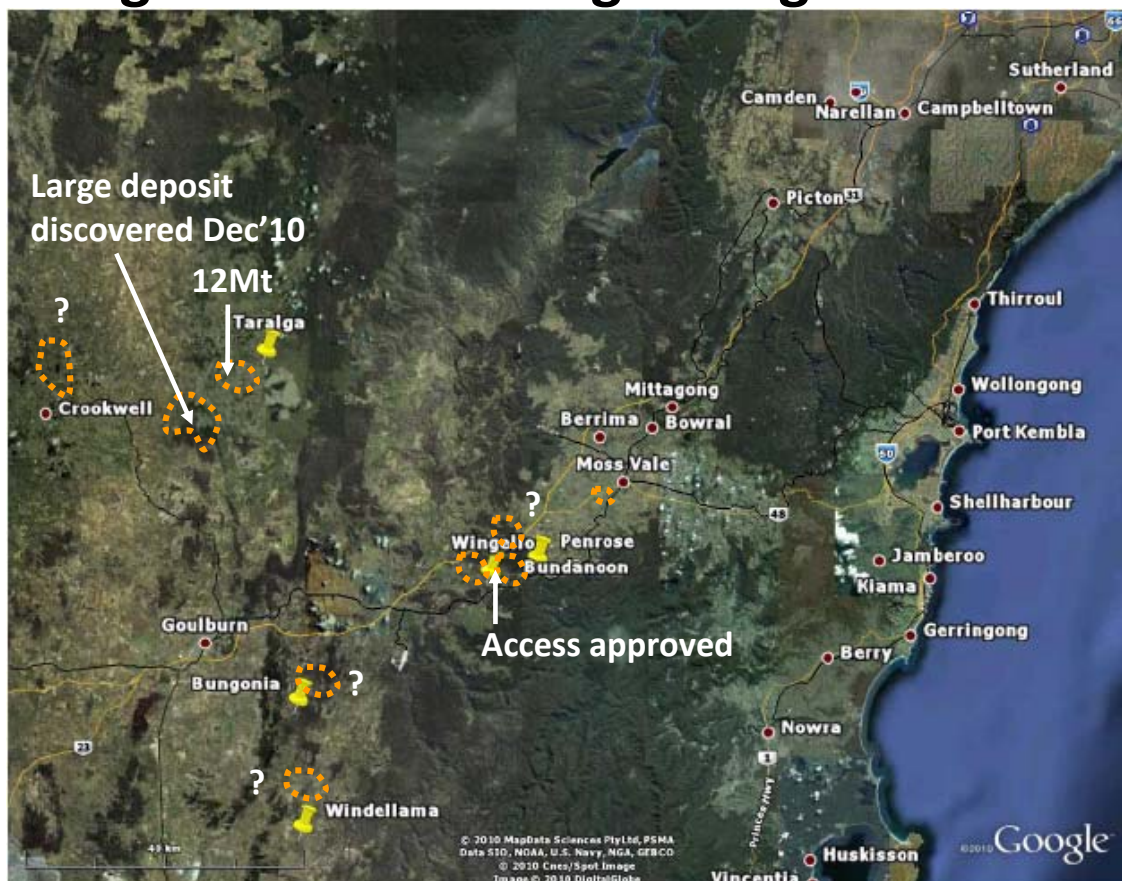
- **DETAILED RESOURCE ESTIMATION IN PROGRESS**
- **MOST ADVANCED PROJECT**

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# Taralga 12m tonnes & growing. Near Port



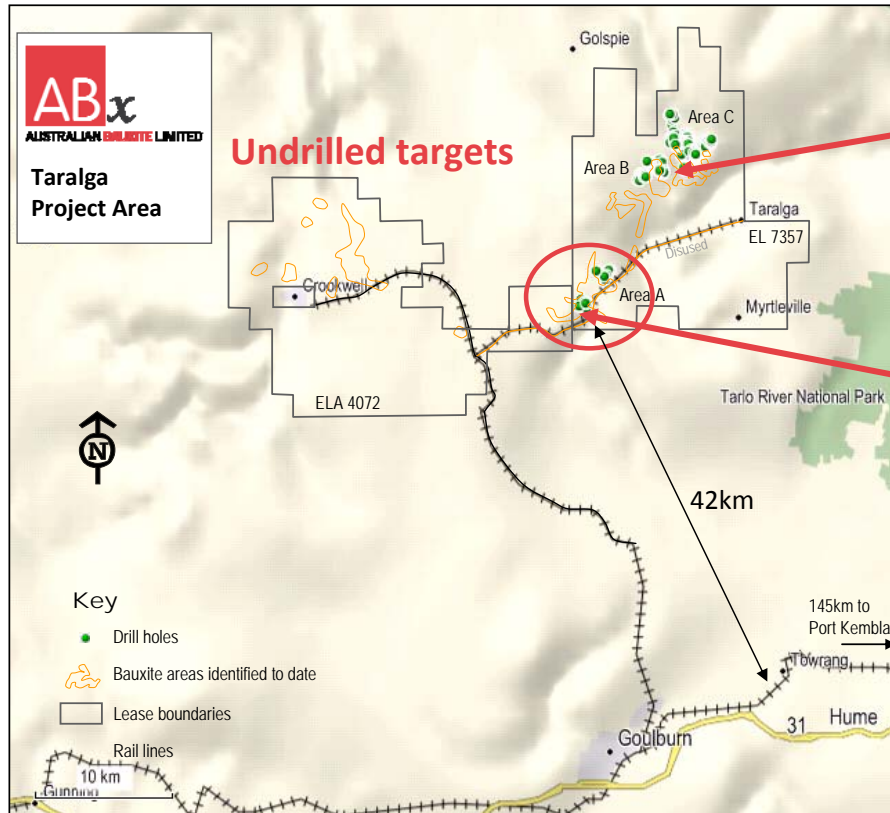
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# Taralga 12m tonnes & growing. Near Port



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## Port Kembla: being expanded



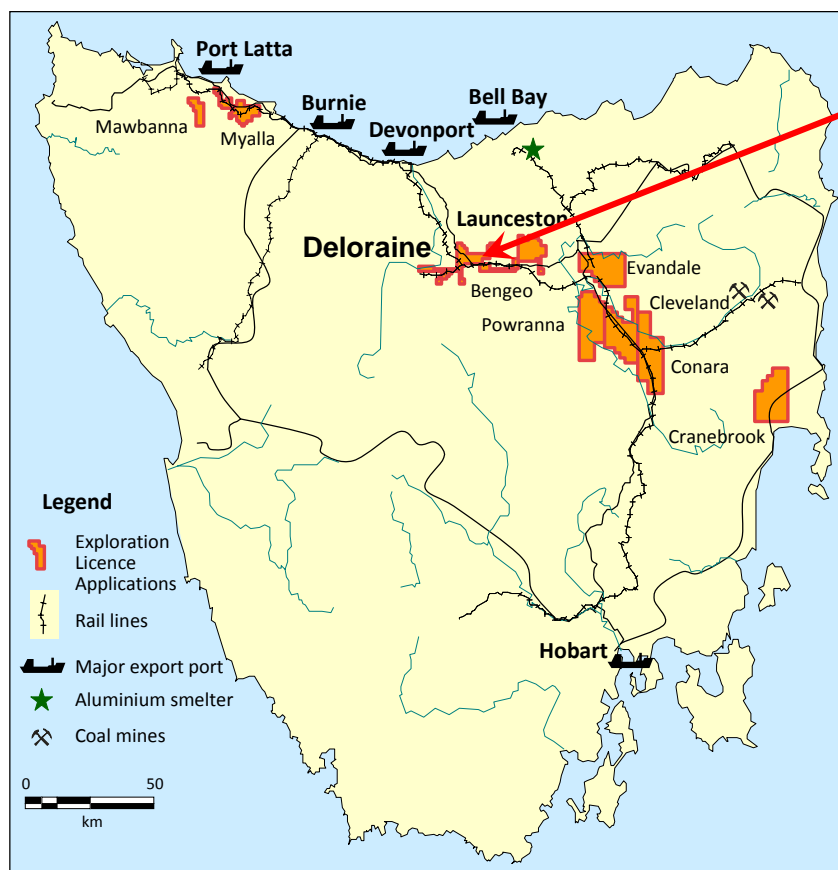
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# Tasmania – the New Frontier.



- 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>).

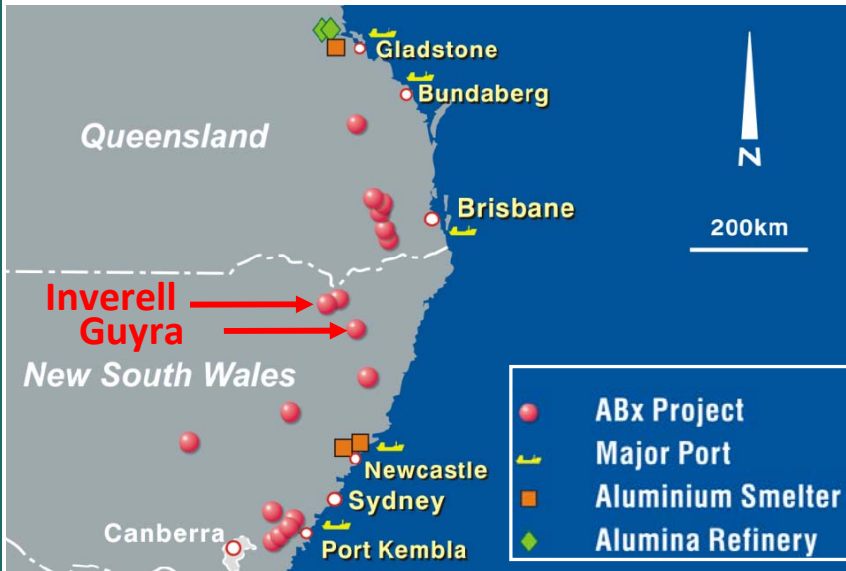
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# Inverell 35m tonnes & growing. Large Deposits



- 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 <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>	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<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.

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## Landholder Relations – the key task



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## Forward Looking Statement

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## 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 12 million tonnes of bauxite at Taralga from less than 10% of the known bauxite deposits 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.



*Better Bauxite*

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### Schematic section

