



AUSTRALIAN BAUXITE LIMITED

ASX: ABZ

ASX ANNOUNCEMENT

8 May 2013

About Australian Bauxite Limited: ASX Code ABZ

Australian Bauxite Limited (ABx) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 42 bauxite tenements in Queensland, NSW and Tasmania covering 6,883 km² 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. ABx conducts vigorous reviews of the commercial viability of its projects and tenements, resulting in new acquisitions, but also reductions in area as exploration is conducted.

ABx's bauxite is high quality, gibbsite-rich bauxite and can be processed into alumina at low temperature – the type that is in short-supply globally. **Global resources declared to date total 115.6 million tonnes.** At Inverell in northern NSW, a resource of 38.0 million tonnes¹ has been reported from drilling 35% to 40% of the area prospective for bauxite; at the Taralga project in southern NSW, a resource of 37.9 million tonnes² of bauxite has been reported; at Guyra³, a 6.0 million tonnes maiden resource was declared; at the Binjour Plateau in central QLD, a 24.5 million tonnes⁴ resource has been declared; in Tasmania, a 5.7 million tonnes maiden resource has been declared and at Mundubbera in central Qld, a 3.5 million tonnes maiden resource has been declared, confirming that ABx has discovered a significant bauxite deposit including some bauxite of outstandingly high quality.

ABx aspires to identify large bauxite resources in the Eastern Australian Bauxite Province, which is emerging as 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.

ABx endorses best practices on agricultural land, strives to leave land and environment better than we find it. We only operate where welcomed.

^{1 2 3 4 5 6} See JORC References at rear

Mining Lease Application Lodged

Bald Hill Bauxite Project – Tasmania

Australian Bauxite Limited (ABx, ASX: ABZ) has (through its subsidiaries) **lodged an Application for a Mining Lease with Mineral Resources Tasmania.**

A Notice of Intent has also been submitted to the Environment Protection Authority.

Due diligence by major Chinese aluminium company, Xinha Group (Xinha) is well underway and a site review by Xinha has been completed.

ABx's first mining lease application is over 173 hectares off Macquarie Road, west of Campbell Town in the northern midlands of Tasmania.

In consultation with Xinha, "Bald Hill Bauxite Project" was chosen as the name of the first mine, see treeless hills in Figure 1.

Ian Levy said: "Our first Mining Lease Application has been submitted on schedule and without a hitch.

"We see the first new bauxite mine in Australia for more than 35 years responsible for creating some 140 to 225 new jobs, generating a total payroll in excess of \$9.8 million per annum.

"This will provide a great boost for the local community."

Critical to the application process is a Development Proposal and Environmental Management Plan, which is expected to be submitted mid-2013.

Mining is planned to commence in the second half of 2014.

For further information please contact:

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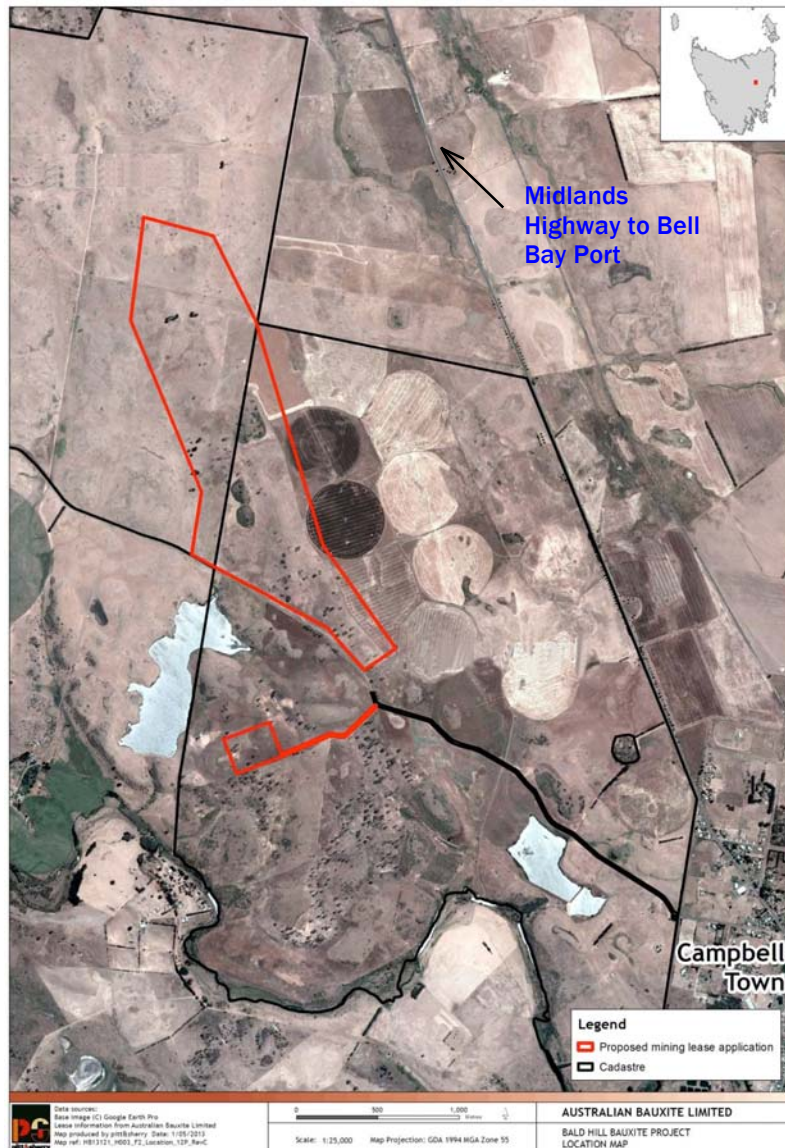


Figure 1: Aerial photo of the mining lease application area (red) and surrounds.

Qualifying statement

The information in this announcement that relates to Exploration Information are based on information compiled by Jacob Rebek who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Rebek is a qualified geologists and is a director of Australian Bauxite Limited.

Mr Rebek has 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 has consented to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

JORC Compliant Resource Statements

The following are Joint Ore Reserve Code ("JORC") compliant Public Reports released to the ASX declaring the JORC resources referred to in this announcement.

These can be viewed on the ASX website and the Company will provide these reports, free of charge on request.

- 1 08/05/2012 ASX Inverell JORC Resource Update, 38.0 Million Tonnes
- 2 30/05/2012 ASX Taralga Bauxite Resource Increased 50% to 37.9 Million Tonnes
- 3 15/08/2011 ASX Maiden Guyra Resource, 6.0 Million Tonnes
- 4 29/07/2012 ASX Binjour Maiden Resource, 24.5 Million Tonnes
- 5 08/11/2012 ASX Maiden Tasmania JORC Resource, 5.7 Million Tonnes
- 6 03/12/2012 ASX Maiden QLD Mining Lease JORC Resource, 3.5 Million Tonnes