

QUARTERLY REPORT

Quarterly Activities Statement period ending 31 March 2011

ABx Pic of the Quarter Cause to Celebrate...



Taralga: After 575 holes, 12 Mt maiden resource, new discovery, additional resource estimation.

About Australian Bauxite Limited: ASX Code ABZ

Australian Bauxite Limited (ABx) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 34 bauxite tenements in Queensland, NSW and Tasmania covering 7,631 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.

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, an interim resource of 35 million tonnes has been reported from drilling 15% to 20% of the area prospective for bauxite and a resource of 12 million tonnes of bauxite has been reported for the Taralga project. 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. Drilling of the ABx bauxite discoveries in Tasmania has only recently commenced but bauxite is confirmed to extend over relatively large areas.

This quarterly report is dated 13th April 2011 and is for the three months ending 31st March 2011.

PRINCIPAL POINTS

Exploration

- Taralga (NSW, EL 7357) 18 m thick intersect; 575 holes completed
- Binjour (Qld) high quality thick bauxite intersects.

ABx Snapshot

No Shares	100.6 million		
Market Cap (31/03/11)	\$76.45 million		
VWAP (Jan – Mar)	72.89 cents		
Tenements (including 4 applications pending)	NSW	16	4,005 km ²
	QLD	8	1,584 km ²
	TAS	9	1,889 km ²
	VIC	1	153 km ²
	Total	34	7,631 km²

Taralga

ABx successfully completed a resource-drilling program at Taralga (NSW) during the March quarter.

210 additional holes were completed and assays have been received.

An upgraded JORC resource estimate is being prepared and will soon be finalised and released.

Binjour

Drilling continued at Binjour (Qld) with 156 holes completed with a 75% hit rate. Bauxite is extensive over a wide and diverse area. New targets will now be drilled.

Average bauxite thickness at Binjour is 6 metres (up to 15 metres).

New Application – Tellebang Queensland

Application EPMA 19169 was lodged on 4 April 2011 covering 50 sub-blocks (150 sq kms) located 20 kms ESE of Monto, Queensland.

Tenement Status

Tenements are 100% in good standing.

CORPORATE

Register snapshot

On 31st March 2011, ABx had 100,592,337 ordinary shares on issue and 10,280,000 options.

Trading summary

During the March quarter the total market trade value was \$4.289 million, with 1,009 trades (average value per trade was \$4,250). 5.884 million shares were traded – the VWAP for the March quarter was 72.89 cents.

Annual Report Released

On 31st March, the Company released its 2010 Annual Report. The Review of Operations is reproduced on the following pages.

Annual General Meeting

The Annual General Meeting of ABx will be held 27 May 2011 commencing at 12.30pm at 131 Macquarie Street Sydney.



Figure 1 - Environmental record

New South Wales		
ABx1 Pty Ltd		
EL 6997	Inverell	297
EL 7268	Pindaroi	138
EL 7361	Guyra	300
EL 7344	Yarrowitch	279
EL 7596	Merriwa - 1	75
EL 7597	Merriwa - 2	639
EL 7598	Merriwa - 3	558
ABx2 Pty Ltd		
EL 7269	Windellama	270
EL 7279	Wingello West	21
ELA 4038*	Wingello Extended	39
EL 7357	Taralga	300
EL 7681	Taralga Extension	300
EL 7360	Trundle	252
EL 7641	Trundle Extension	228
EL 7601	Bungonia	276
EL 7546	Penrose	33
		4,005
Queensland		
ABx3 Pty Ltd		
EPM 17790	Hampton	336
EPM 17800	Red Hill	144
EPM 17801	Red Hill South	150
EPM 17830	Haden	264
EPM 17831	Hillgrove	267
EPM 18014	Binjour	150
EPM 18772	Binjour Extension	123
EPMA 19169	Tellebang	150
		1,584
Tasmania		
ABx4 Pty Ltd		
EL 4/2010	Evandale	197
EL 5/2010	Powranna	234
EL 6/2010	Cleveland	209
EL 7/2010	Conara	238
EL 8/2010	Cranbrook	220
EL 9/2010	Deloraine	224
EL 14/ 2010	Myalla	80
EL 37/2010*	Westbury	237
Not allocated	Sassafras	250
		1,889
Victoria		
ABx5 Pty Ltd		
EL 5279	Rokeby	153
		153
		7,631
* Application pending		

EXTRACT FROM 2010 ANNUAL REPORT - REVIEW OF OPERATIONS

Australian Bauxite Limited (**ABx**) is an emerging bauxite exploration and development company, which listed on the ASX on 24 December 2009 with Company Code ABZ. As of 31 December 2010 ABx through its wholly owned subsidiaries (ABx1 Pty Ltd, ABx2 Pty Ltd, ABx3 Pty Ltd, ABx4 Pty Ltd and ABx5 Pty Ltd) holds 32 bauxite tenements in Queensland, NSW, Victoria and Tasmania covering 7,231 km².

Exploration Strategy

ABx applies 3 rigorous selection criteria to identify:

- high-quality, large tonnage gibbsitic bauxite deposits;
- located close to existing infrastructure (especially port & rail); and
- free of socio-environmental and native title land constraints.

From some 80 bauxite discoveries, ABx has only retained the 32 best bauxite project areas that meet these 3 selection criteria, so that ABx now controls the core of the East Australian Bauxite Province.

ABx's tenements are all 100% owned and free of 3rd-party royalties. The tenements are generally located on pastoral/grazing and other land not subject to native title issues. Careful attention to landowner dealings has earned their support, especially where agricultural land values are modest, often due to the infertile bauxite layer. ABx aspires to only work with landowner approval and to always leave the land at least as good as found. This corporate ethos has been reciprocated with support from all landowners.

The ABx bauxite projects are within reasonable distance from the two large alumina refineries at Gladstone, Queensland, plus access to local energy sources & water.

All deposits lie on or near the surface and drilling is fast, easy and economical, involving RC drill holes down to typically less than 15 metres.

High Bauxite Quality

The ABx bauxite has relatively low reactive silica content and relatively high proportion of tri-hydrate gibbsite ($\text{Al}_2\text{O}_3 \cdot 3\text{H}_2\text{O}$), which is the most valuable alumina ore mineral, being suited to low temperature processing to recover alumina (120°C vs. 350°C). Iron content is typically elevated in NSW & Queensland, but is usually in the form of more easily processed iron minerals than the iron in Western Australian bauxite. ABx bauxite is coarse grained and in fact can deliver processing advantages when blended with lower quality high silica ore.

Thickness

Some areas are known to contain thin bauxite layers, however Inverell, Pindaroi, Binjour, Hampton and Taralga have maximum thicknesses of more than 9 metres, with drill indications that typical average thicknesses range from 4.4 to 6.3 metres. This is relatively thick, high quality bauxite. First pass drill testing of the Tasmanian tenements suggest that bauxite thicknesses up to 11 metres occur but are typically 4 to 5 metres thick.

Land Access

This major bauxite drilling program was completed without interruption and with a 100% approval by landholders of the drill site rehabilitation work done by the ABx field crew. Landholder support has been positive in all areas.

Because ABx is not limited to one or two project areas it is able to avoid land access risks such as native title, local landholder resistance or environmental legislation.

Accelerated Program

A second drill rig has been commissioned and commenced operations during the December quarter at Binjour, QLD and then joined the first rig to accelerate the drilling at Taralga in January 2011.

The addition of the second rig will accelerate resource estimation without hindering the reconnaissance drilling programs testing new bauxite discoveries.

Project Status

The Binjour project in central Queensland and the Taralga project in southern NSW near Goulburn have economic potential. Work is in progress to assess these deposits and their economic settings sufficient for pre-feasibility studies and then more detailed feasibility assessments for each project.

The Deloraine project in central northern Tasmania and the Inverell-Pindaroi-Guyra project area in northern NSW are also considered to be advanced projects where the 2011 drilling will be very informative. Other projects are still in the exploration stages.

ABx commenced its first pass reconnaissance-drilling program of all granted tenements on 12 April 2010 and this was completed ahead of schedule. In December 2010, ABx commenced follow-up evaluation drilling at Taralga near Goulburn in southern NSW and at Binjour in central Queensland.

QUEENSLAND

BINJOUR EPM 18014

170km SW of Bundaberg QLD

Holes drilled: 156
Holes with bauxite: 120 (77% hit rate)
Average bauxite thickness: 6 metres (up to 15 metres)

An area of several square kilometres was discovered on the Binjour plateau that has a good quality bauxite layer concealed beneath a soft, free-digging overburden layer.

An encouraging thickness of a concealed bauxite layer up to 15 metres thick was encountered and two stages of drilling were completed in July 2010 and it was drilled again in December 2010 to test continuity.



Results from the drillholes which intersected the main style of bauxite being targeted at Binjour called “Brown Sugar” bauxite, ideal for sweetener bauxite circuits in refineries were as shown in the table below.

Early assays indicate high qualities with high available alumina and very low reactive silica. An average bauxite thickness of 6 metres indicated potential for a large tonnage deposit. Holes BJ 033, 006 and 057 are from that area which was investigated by drilling in December 2010 and the results from holes BJ114 to BJ126 are considered to be highly significant – confirming our geological knowledge.

Bauxite at Binjour is unexpectedly extensive over a wide and diverse area, thus justifying the expansion in drilling strategy to begin mapping out the thicker zones, zones of better grades and zones with bauxite at surface. Several new targets are now being drilled.

Binjour has the potential to be a project worthy of early development.

Binjour “brown sugar bauxite” intercepts in 2010:

					Leach 143degC Analyses			Total Analyses for Sieved at 0.26mm						
Hole No	From m	To m	Length m	Yield % wt	Al ₂ O ₃ avl %	Rx SiO ₂ %	Avl/Rx ratio	Al ₂ O ₃ %	SiO ₂ %	A/S ratio	Fe ₂ O ₃ %	TiO ₂ %	LOI %	
BJ006	7	12	5	62%	38.7	1.2	31.7	41.4	1.5	26.8	29.6	3.3	23.6	
BJ031	10	18	8	60%	40.2	2.2	18.7	44.8	2.5	18.2	23.2	3.9	25.0	
BJ032	8	16	8	68%	40.7	1.9	21.0	44.5	2.2	20.2	23.6	3.9	25.1	
BJ033	10	19	9	71%	50.5	1.2	42.5	53.1	1.3	39.9	13.1	2.8	29.2	
BJ053	7	10	3	70%	49.2	1.9	25.9	52.7	2.2	24.1	12.6	3.5	28.6	
BJ059	3	9	6	69%	33.7	1.7	20.2	38.4	2.1	18.3	33.0	3.7	22.1	
BJ111	11	17	6	77%	43.7	1.6	27.0	46.9	2.0	24.0	20.6	3.8	26.2	
BJ113	13	17	4	65%	43.7	0.9	51.4	47.9	1.0	47.1	19.6	3.6	27.2	
BJ114	6	10	4	42%	32.2	2.8	11.4	37.4	3.5	10.7	32.7	4.0	21.7	
BJ115	6.5	11	4.5	68%	38.1	0.8	46.2	41.5	1.1	37.7	28.7	3.1	24.8	
BJ116	9.5	14	4.5	73%	36.5	0.9	39.5	40.8	1.1	36.3	30.5	3.0	23.8	
BJ119	10	14	4	60%	33.9	3.5	9.7	38.9	4.1	9.4	30.3	3.7	22.5	
BJ120	7	11	4	78%	36.3	1.1	33.8	39.7	1.3	30.5	29.4	5.3	23.4	
BJ121	7.5	14	6.5	68%	47.7	0.5	89.5	50.8	0.7	76.2	16.6	3.0	28.4	
BJ122	9	15	6	61%	46.1	0.5	89.2	48.9	0.6	79.3	18.8	3.5	27.6	
BJ123	9	12	3	71%	37.1	3.0	12.2	42.4	3.3	13.0	25.4	3.6	24.5	
BJ124	10	13	3	70%	42.9	3.1	13.7	47.0	3.3	14.4	19.1	3.7	26.2	
BJ125	9	16	7	53%	41.6	4.7	8.9	47.2	5.1	9.2	17.9	3.5	25.8	
BJ126	10	16	6	66%	48.8	2.6	19.0	52.9	2.7	19.6	12.0	3.0	28.9	
Average	8.6	13.9	5.3	66%	41.1	1.9	32.2	45.1	2.2	29.2	23.0	3.6	25.5	

* Leach conditions to measure available Avl Al₂O₃ & reactive SiO₂ rx were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins.
“A/S” ratio is (Available Al₂O₃)/(Reactive SiO₂). “A/S” ratio is (Total Al₂O₃)/(Total SiO₂). Values above 10 are excellent.

HAMPTON EPM 17790

20km N of Toowoomba QLD

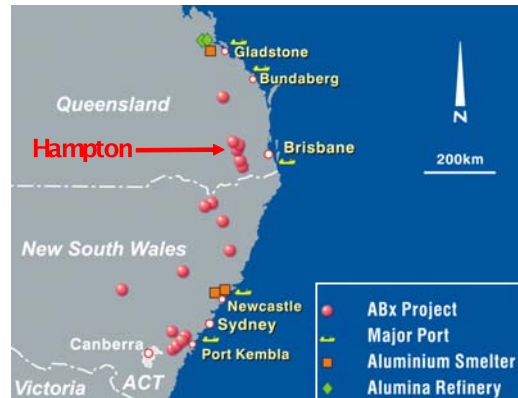
Holes drilled: 136
Holes with bauxite: 56 (41% hit rate)
Average bauxite thickness: 5.9 metres (up to 13 metres)

The Geham deposit is a relatively consistent bauxite layer whilst Pechey deposit has two layers.

Indicative Bauxite grades from initial holes from the Peachey deposit was sent for analysis:

Hole	From m	To m	Metres	Sieved at 0.26mm								Recovery % +0.26mm
				Al ₂ O ₃ avl %	Rx SiO ₂ %	aA/Sx	Al ₂ O ₃ %	SiO ₂ %	A/S	Fe ₂ O ₃ %	LOI %	
HM036	0	8	8	35.1	4.5	13.4	42.6	5.6	11.8	24.4	22.5	51
HM042	1	4	3	32.5	4.1	8.7	39.6	5.1	8.1	28.2	20.9	40
HM002	1	3	2	34.8	5.4	6.6	41.3	6.5	6.4	26.7	19.7	49
HM003	1	12	11	32.2	4.9	8.3	39.4	5.9	7.9	28.4	20.1	36
HM035	0	9	9	32.5	5.5	8.6	40.4	6.4	7.9	27.4	20.5	51
HM041	1	9	8	35.3	3.3	18.8	41.5	4.0	14.3	27.2	22.2	62

* Leach conditions to measure available Avl Al₂O₃ & reactive SiO₂ rx were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins.
"aA/Sx" ratio is (Available Al₂O₃)/(Reactive SiO₂). "A/S" ratio is (Total Al₂O₃)/(Total SiO₂). Values above 10 are excellent.



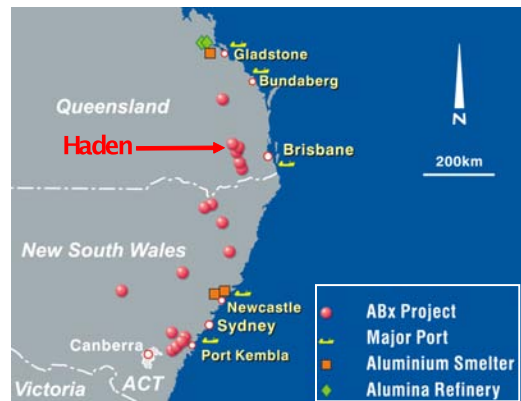
HADEN EPM 17830

40km N of Toowoomba QLD

A new deposit colloquially called "Steam Engine" was discovered near Haden, 15kms to the northwest of the Pechey-Geham deposits at Hampton. The new deposit averages 3 to 5 metres thick and appears a consistent style of bauxite, more akin to Inverell bauxite than to Hampton styled bauxite.

Holes drilled: 39
Holes with bauxite: 23 (59% hit rate)
Average bauxite thickness: 4.4 metres (up to 9 metres)

The deposit extends over a wide area and will be explored by surface mapping prior to its next phase of drilling.



NEW SOUTH WALES

INVERELL EL 6997

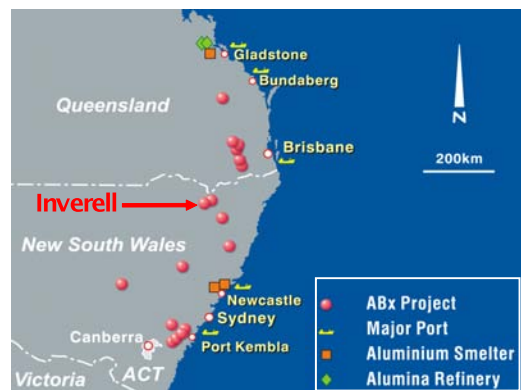
20km NW of Inverell NSW

Total drilling completed at Inverell in 2009 and 2010 is 280 drill-holes totalling 3,400 metres.

A thick bauxite intercept of 9.4 metres was encountered in the 2010 drilling campaign – a similar result to the 9.5 metres maximum thickness encountered in the 2009 drill campaign at the southern end of the tenement.

Drilling in the initial resource area encountered a remarkably uniform bauxite layer typically 3.5 to 9 metres thick with a thin soil profile. Most of this very thick deposit lies at surface with no overburden.

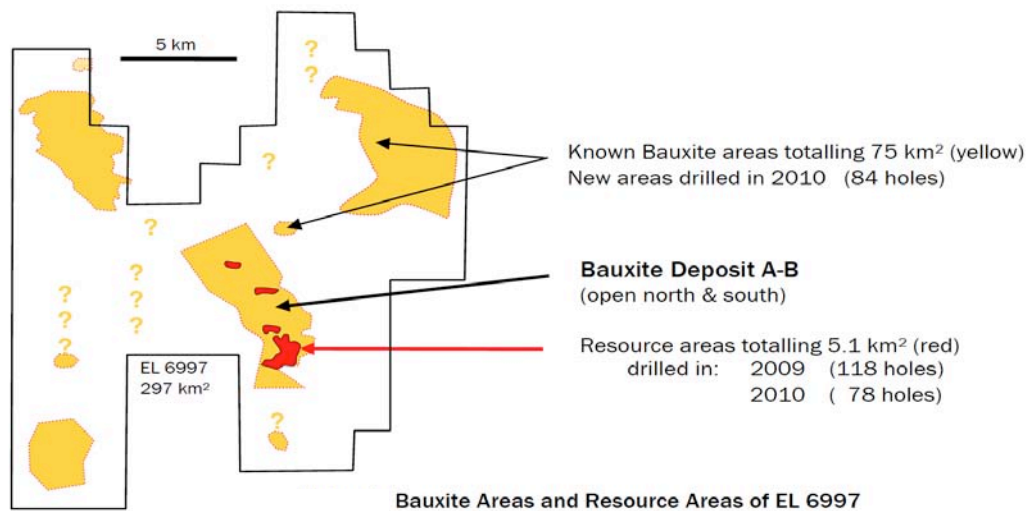
The Inferred and Indicated Resources of its bauxite deposit A-B at Inverell, Northern NSW (EL 6997) is 36 million tonnes of gibbsite-rich bauxite.



On 2 September 2010 a JORC resource update was announced to the ASX. The bauxite resource increased by 64% based on the results of 78 new holes drilled into A-B deposit in May-June 2010 and the 118 holes drilled in 2009. A total of 196 holes with 2,748 metres have drilled and sampled in this deposit. Deposit A-B is only one of 4 major bauxite areas identified to date on EL 6997 and the area drilled for resources to date represents less than 15% of the bauxite areas identified. At least 50% of the large EL 6997 tenement is yet to be explored for bauxite (see below).

Parts of the deposit have been confirmed as high grade, Direct Shipping Grade ("DSO" bauxite) up to 9.4 metres thick and averaging 6 metres thick. The A-B deposit is a relatively consistent, thick, high quality bauxite deposit averaging 5.6 metres in bauxite thickness and approximately 1 metre of overburden.

Resource estimates after application of cut-off grades for the drilled resource areas on the A-B deposit are summarised as follows:



In situ bauxite (unscreened):

Resource category	Tonnes millions	Avl Al ₂ O ₃ %	SiO ₂ Rx %	Avl/Srx ratio	Al ₂ O ₃ %	SiO ₂ %	A/S ratio	Fe ₂ O ₃ %	TiO ₂ %	LOI %
Inferred	11.7	34.3	5.6	7.2	39.3	6.1	6.9	27.5	4.5	21.7
Indicated	24.4	31.5	5.5	6.0	37.1	6.1	6.6	25.5	4.2	20.5
Total	36.1	32.4	5.6	6.4	37.8	6.1	6.7	26.1	4.3	20.9

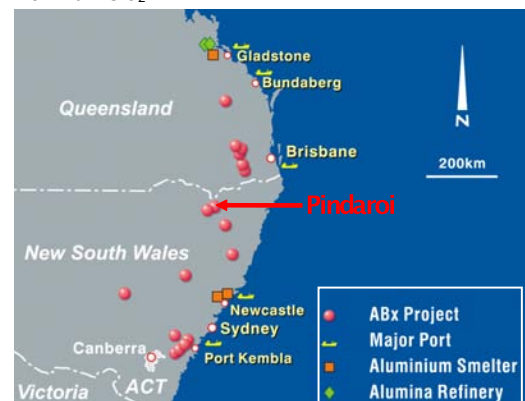
* Leach conditions to measure available Avl Al₂O₃ & reactive SiO₂ rx were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins.
"aA/Sx" ratio is (Available Al₂O₃)/(Reactive SiO₂). "A/S" ratio is (Total Al₂O₃)/(Total SiO₂). Values above 10 are excellent.
Cut-off grades applied: 2 metres minimum thickness, 32% minimum Al₂O₃ & 8% maximum SiO₂

PINDAROI EL 7268

15km NE of Inverell, northern NSW

Holes drilled: 18
Holes with bauxite: 12 (67% hit rate)
Average bauxite thickness: 5.9 metres (up to 12 metres)

Pindaroi is situated 5 km from the Inverell deposit and has potential for very large tonnages with average bauxite thickness of 5.9m. The thickest bauxite intercept of 12 metres is quite remarkable and the fact that this is the same maximum thickness that was estimated from detailed mapping is considered encouraging.



Indicative Bauxite grades from initial holes sent for analysis:

Hole	From m	To m	Metres m	Sieved at 0.26mm							Recovery %	
				Al2O3avl %	Rx SiO2 %	aA/Sx	Al2O3 %	SiO2 %	A/S	Fe2O3 %	LOI %	+0.26mm
PR005	0	5	5	26.6	7.3	3.7	36.1	8.6	4.2	29.4	21.0	72
PR013	0	10	10	30.9	5.4	6.9	38.8	6.4	7.0	27.4	21.9	67
PR015	0	5	5	36.3	5.1	8.2	42.8	5.7	8.4	23.4	23.5	61

* Leach conditions to measure available Avl Al₂O₃ & reactive SiO₂ rx were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins.
"aA/Sx" ratio is (Available Al₂O₃)/(Reactive SiO₂). "A/S" ratio is (Total Al₂O₃)/(Total SiO₂). Values above 10 are excellent.

Pindaroi was drilled to confirm the observation that extensive surface areas of bauxite extended to depth. This has been confirmed after reviewing the results from this preliminary first-pass drilling program. Follow-up, second-pass drilling will be carried out during 2011.

WINDELLAMA EL 7269

25km S of Goulburn, southern NSW

Holes drilled: 58

Holes with bauxite: 47 (81% hit rate)

Average bauxite thickness: 3.3 metres (up to 7 metres)

Bauxite Grades from these holes are still being assessed.

This drilling was completed during the September quarter. Improved hit rates were achieved that reflected the improved geological knowledge and resulting confidence in being able to identify these types of bauxite deposits.

Sampling of the Windellama bauxite deposits during 2009 returned encouraging grades. These deposits are adjacent to an operating rail line that carried mineral products for several decades to Port Kembla for export. Windellama and the other prospects around Goulburn (see adjacent figure) are considered as satellite deposits feeding bauxite into a supply chain centred at Goulburn and exporting blended bauxite products through Port Kembla, 145kms east of Goulburn.

TARALGA EL 7357

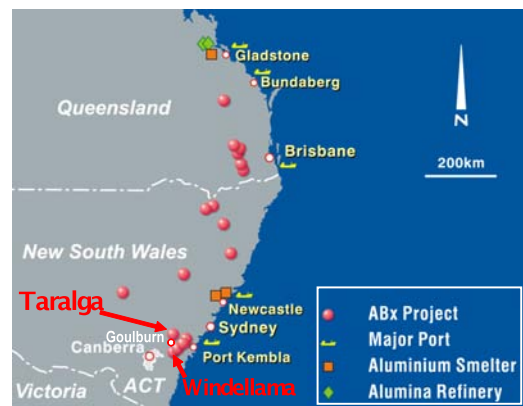
40km N of Goulburn, southern NSW

The bauxite resources at Taralga increased to 12 million tonnes following first-pass drilling as announced on 6 December 2010. More than half of the resources are easily mined Direct Shipping Ore (DSO) grade bauxite suitable for direct shipping to customers that require gibbsite-rich bauxite, which is the premium quality bauxite that is in highest demand globally. Since the resource estimates were done, a much larger bauxite deposit has been discovered and drilled sufficient for a resource upgrade in 2011.

Resource estimates on the deposits tested at Taralga in mid 2010 are summarised as follows:

Total in-situ bauxite (screened at 0.26mm):

Resource category	Tonnes millions	Thick-ness	Al ₂ O ₃ avl %	Rx SiO ₂ %	Avl/Sx Ratio	Al ₂ O ₃ %	SiO ₂ %	A/S Ratio	Fe ₂ O ₃ %	LOI %	Yield %
Inferred	4.79	4.5m	28.1	1.6	18.1	38.8	5.6	6.9	33.5	17.5	64%
Indicated	7.17	4.5m	28.1	1.6	18.1	38.8	5.6	6.9	33.5	17.5	64%
TOTAL	11.95	4.5m	28.1	1.6	18.1	38.8	5.6	6.9	33.5	17.5	64%





DSO Bauxite at Taralga

Part of this total bauxite resource is an easily mined, thick layer of DSO grade gibbsite as follows:

Resource category	Tonnes millions	Thick-ness	Al ₂ O ₃ avl %	Rx SiO ₂ %	Avl/Sx Ratio	Al ₂ O ₃ %	SiO ₂ %	A/S Ratio	Fe ₂ O ₃ %	LOI %	Yield %
Inferred	2.45	4.2m	34.9	1.9	18.4	40.9	4.7	8.7	27.1	22.4	58%
Indicated	4.37	4.2m	34.9	1.9	18.4	40.9	4.7	8.7	27.1	22.4	58%
TOTAL	6.82	4.2m	34.9	1.9	18.4	40.9	4.7	8.7	27.1	22.4	58%

Unsieved in-situ raw grades

TOTAL	6.82	4.2m	31.4	4.3	7.3	38.8	6.6	6.0	26.7	21.6	100%
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Cut-off grades applied: 30% Al₂O₃ & 2m thickness. Leach conditions to measure available Al₂O₃avl & reactive Rx SiO₂ is 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Srx" ratio is (Al₂O₃avl)/(Rx SiO₂). "A/S" ratio is Al₂O₃/SiO₂. Values above 10 are excellent. Tonnage is for bauxite in-situ. Yield is for screening at 0.26mm. If a different beneficiation method is used, yield will be different. Tonnages requiring no upgrade will have 100% yield.

Gibbsite DSO bauxite (screened at 0.26mm & unscreened grades):

This DSO bauxite represents approximately 55% of the total bauxite resources identified at Taralga to date.

In places, there is a thin top layer of iron-rich, dehydrated bauxite described as pisolite layers which is included in the Total In-Situ Bauxite estimate quoted above. Available alumina values may increase if a higher-temperature leach is used. Within the resource drilled to date, this unit totals as follows:

Pisolitic bauxite (screened at 0.26mm):

Resource category	Tonnes millions	Thick-ness	Al ₂ O ₃ avl %	Rx SiO ₂ %	Avl/Sx Ratio	Al ₂ O ₃ %	SiO ₂ %	A/S Ratio	Fe ₂ O ₃ %	LOI %	Yield %
Inferred	1.13	2.3m	21.1	1.0	21.2	38.0	5.0	7.7	40.5	12.3	74%
Indicated	1.01	2.3m	21.1	1.0	21.2	38.0	5.0	7.7	40.5	12.3	74%
TOTAL	2.15	2.3m	21.1	1.0	21.2	38.0	5.0	7.7	40.5	12.3	74%

Cut-off grades applied: 30% Al₂O₃ & 2m thickness. Leach conditions to measure available Al₂O₃avl & reactive Rx SiO₂ is 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Srx" ratio is (Al₂O₃avl)/(Rx SiO₂). "A/S" ratio is Al₂O₃/SiO₂. Values above 10 are excellent. Tonnage is for bauxite in-situ. Yield is for screening at 0.26mm. If a different beneficiation method is used, yield will be different. Tonnages requiring no upgrade will have 100% yield.

New kind of Bauxite: Taralga contains a quartz-bearing bauxite. This has strong similarities with the world-famous bauxite deposits in the Darling Ranges south of Perth Western Australia, which is the world's largest bauxite-alumina production province, producing the world's lowest-cost alumina because the aluminium ore mineral is exclusively gibbsite which can be processed at low temperatures and pressures. Resource estimations for this new style of bauxite based on results to date are:

Quartz-bearing, gibbsite-rich bauxite (screened at 0.26mm):

Resource category	Tonnes millions	Thick-ness	Al ₂ O ₃ avl %	Rx SiO ₂ %	Avl/Sx Ratio	Al ₂ O ₃ %	SiO ₂ %	A/S Ratio	Fe ₂ O ₃ %	LOI %	Yield %
Inferred	0.52	3.6m	33.2	2.2	15.2	39.6	15.0	2.6	20.4	20.6	57%
Indicated	0.65	3.6m	33.2	2.2	15.2	39.6	15.0	2.6	20.4	20.6	57%
TOTAL	1.16	3.6m	33.2	2.2	15.2	39.6	15.0	2.6	20.4	20.6	57%

Cut-off grades applied: 30% Al₂O₃ & 2m thickness. Leach conditions to measure available Al₂O₃avl & reactive Rx SiO₂ is 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Srx" ratio is (Al₂O₃avl)/(Rx SiO₂). "A/S" ratio is Al₂O₃/SiO₂. Values above 10 are excellent. Tonnage is for bauxite in-situ. Yield is for screening at 0.26mm. If a different beneficiation method is used, yield will be different. Tonnages requiring no upgrade will have 100% yield.

Note that the total silica (SiO₂) is 15% but only 2.2% of that is reactive silica (ie. Rx SiO₂).

Therefore, 12.8% of the bauxite is non-reactive silica in the form of quartz particles.

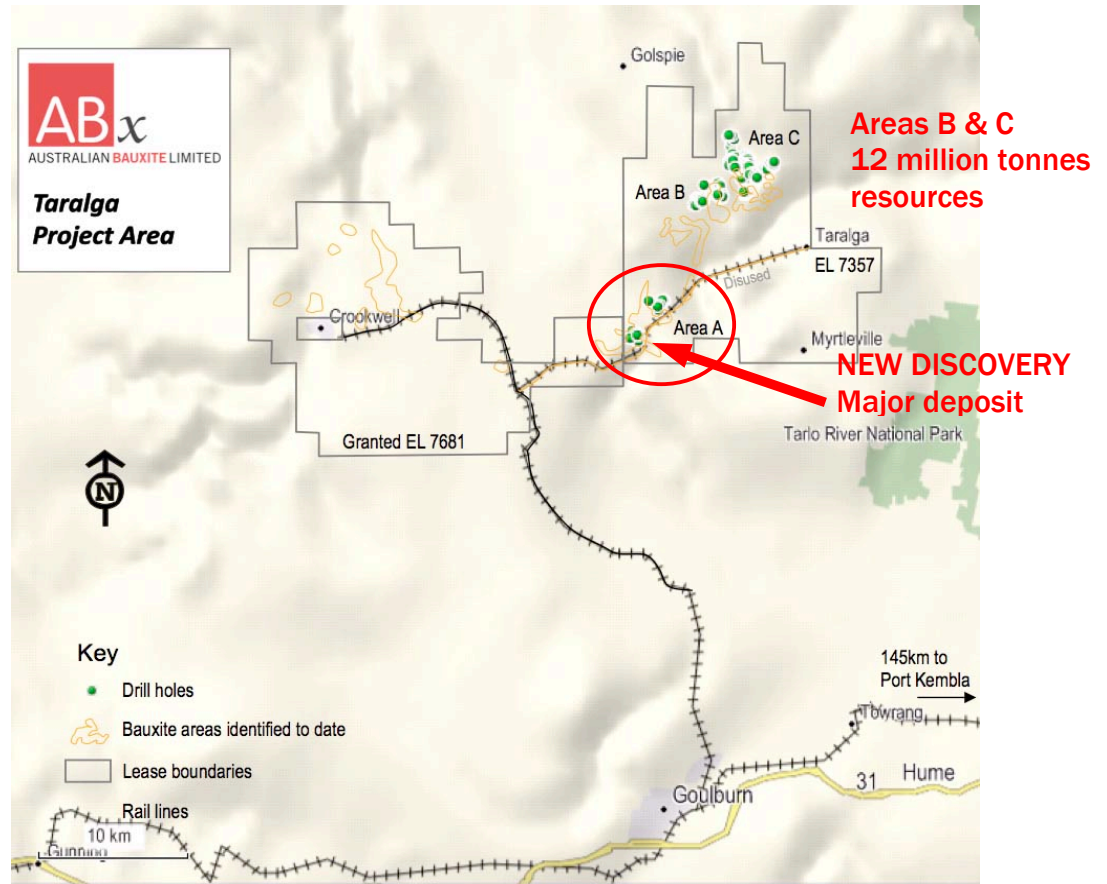
New Bauxite Deposit Discovered at Taralga

Drilling commenced in Areas B & C because of obvious bauxite plateaus.

Unexpectedly good bauxite was discovered in Area A and has recently been drilled.

The western extensions of this large deposit are now covered by EL 7681 (previously ELA 4072).

Note that the Goulburn to Port Kembla rail line is heavy duty.



TASMANIA

Seven of eight tenements in Tasmania were granted in the September quarter.

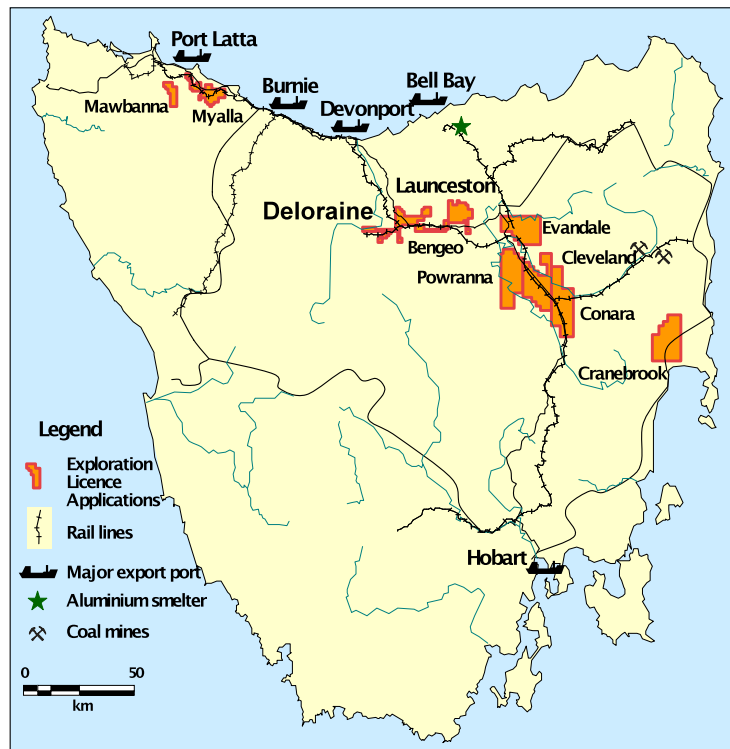
ABx Tasmanian tenement portfolio consists of seven granted tenements and 1 application pending (see map), covering 1,639 sq kms.

In 14 October 2010 drilling commenced in Tasmania.

Deloraine EL 9/2010

In December 2010, the main bauxite occurrence identified in Tasmania by ABx staff was drilled for the first time and was confirmed to be a substantial bauxite deposit.

The deposit has proven to be more extensive than first recognised and a new tenement covering the extension is going through the approval stage. No drilling is being conducted in Tasmania whilst this application is progressing.



Results demonstrate that Direct Shipping Ore grades occur in reasonable thicknesses up to 7 metres as shown by results from hole DL 025 below (screened at 0.26mm):

Hole: DL 025			Leach 143degC			Total Analyses					
From m	To m	Yield % wt	Al ₂ O ₃ avl %	Rx SiO ₂ %	Avl/Rx ratio	Al ₂ O ₃ %	SiO ₂ %	A/S ratio	Fe ₂ O ₃ %	TiO ₂ %	LOI %
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 Al₂O₃ & reactive SiO₂ rx were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins.
"aA/Sx" ratio is (Available Al₂O₃)/(Reactive SiO₂). "A/S" ratio is (Total Al₂O₃)/(Total SiO₂). Values above 10 are excellent.



Figure 2 – Each hole is plugged, filled and recorded

FURTHER INFORMATION

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Qualifying statements

The information in this report that relate to exploration programmes are based on information compiled by Jacob Rebek who is a member of Australian Institute of Mining and Metallurgy. Mr. Rebek is a qualified geologist and is a director of Australian Bauxite Limited.

Mr. Rebek has sufficient experience, which is relevant to the style of mineralization and type of deposit under consideration 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, Mineral Resources and Ore Resources. Mr. Rebek consents to the inclusion in the report of the matters based on information in the form and context in which it appears.



Project Tenements and Major Infrastructure – March 2011