

About Australian Bauxite Limited: ASX Code ABZ

Australian Bauxite Limited (ABx) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 37 bauxite tenements in Queensland, NSW and Tasmania covering 8,500 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. **Global resources declared to date total 86 million tonnes.** At the company's first drilling prospect in Inverell, northern NSW, an interim resource of 38 million tonnes⁴ has been reported from drilling 25% to 35% of the area prospective for bauxite and a resource of 25 million tonnes² of bauxite has been reported at the Taralga project in southern NSW. A 6 million tonnes maiden resource was declared at Guyra². Results from the Binjour Plateau in central QLD confirm that ABx has discovered a significant bauxite deposit including some bauxite of outstandingly high quality. Australian Bauxite Limited 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.

30 May 2012

Company Announcement Office
Australian Securities Exchange Limited

Goulburn PFS Expanded – Qualifying Statement

Australian Bauxite Limited (ASX: ABZ) advised the market today that it is expanding the PFS underway at the Goulburn Bauxite Project in order to consider the case to ramp-up production from a current estimate of 1.2 Mtpa to 2.5–3 Mtpa production.

Production estimates are based on a mine life of 25 years, commencing 2013.

The announcement released to market included assessment of internal rates of return (IRR) based on studies completed to date. In light of ongoing studies, the release of the IRR was premature as it may change upon completion of the further modelling. No reliance should be made on the IRR published today.

Reporting on the conclusions of the complete PFS will now be made on completion of the study of the ramp-up option and once commercial negotiations with potential customers have been well advanced.

For further information please contact

Investor Relations, Henry Kinstlinger
Australian Bauxite Limited
Telephone: +61 2 9251 7177

Qualifying statement

The information in this announcement that relate to Exploration Information are based on information compiled by Jacob Rebek and Ian Levy who are members of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Rebek and Mr Levy are qualified geologists and are directors of Australian Bauxite Limited.

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

The following are JORC-compliant Public Reports released to the ASX declaring the JORC resources referred to. These can be viewed on the ASX website and the Company will provide these reports, free of charge on request.

- ¹ 12/05/2011 ASX Taralga Bauxite Resource Doubled to 25 Million Tonnes
- ² 15/08/2011 ASX Guyra Maiden Resource (6 Million Tonnes)
- ³ 12/10/2011 ASX Binjour Maiden Resource (17 Million Tonnes)
- ⁴ 02/09/2010 ASX Inverell JORC Resource Update (38 Million Tonnes)

AUSTRALIAN BAUXITE LIMITED

ACN 139 494 885

Level 2 Hudson House 131 Macquarie Street Sydney NSW 2000
p: +61 2 9251 7177 f: +61 2 9251 7500

w: australianbauxite.com.au e: corporate@australianbauxite.com.au