



AUSTRALIAN BAUXITE LIMITED

ASX: ABZ

ASX ANNOUNCEMENT

20 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.

Market Presentation

Australian Bauxite Limited (ABx) (ASX: ABZ) advises that CEO and Managing Director, Ian Levy is presenting at the 3rd annual Resources & Energy Investment Symposium at Broken Hill today.

In accordance with the requirements of Listing Rule 3.1 we submit the attached material being presented.

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 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

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AUSTRALIAN BAUXITE LIMITED

May 2013

**Developing our first bauxite project
for the surging bauxite market**

Bauxite is the ore for aluminium and alumina

ASX Code “ABZ”

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Ian Levy, CEO

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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, Mineral 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^{4,5} 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^{1,2,3} 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.

JORC Code Compliant Public Reports

The Company advises that this presentation contains summaries of Exploration Results and Mineral Resources as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves' ("JORC Code").

The following table references the location of the Code-compliant Public Reports or Public Reporting on which the summaries are based. These references can be viewed on the ASX website and the Company will provide these reports, free of charge, to any person who requests it.

Reference	Issue Date	Title of Notice as lodged with ASX
1	28/07/2012	Binjour JORC Resource Upgrade to 24.5 Million Tonnes
2	15/08/2011	Guyra Maiden JORC Resource 6.0 Million Tonnes
3	30/05/2012	Taralga Bauxite Resource Increased 50% to 37.8 Million Tonnes
4	08/05/2012	Inverell JORC Resource Update 38.0 Million Tonnes
5	08/11/2012	Tasmania Maiden JORC Resource 5.7 Million Tonnes
6	15/11/2011	Maiden QLD Mining Lease JORC Resource 3.5 Million Tonnes

Direct Shipping Ore

In this presentation all references to direct shipping ore (**DSO**) refers to the company's exploration objective of defining DSO grade mineralisation. The potential quantity and grade of exploration targets is conceptual in nature, there has been insufficient exploration to define a Mineral Resource and it is uncertain if further exploration will result in the determination of a Mineral Resource.

AUSTRALIAN BAUXITE LIMITED

- First Mine Lease Application lodged in Tasmania on schedule for commencement late 2014
- Targeting 3 Tasmanian mines, ~0.8 million tonnes p.a. each
- Highways, rail, port capacity already exist
- \$10 million capital cost funded by offtake partner
- Operating costs \$25 to \$29 per tonne FOB
- Margin \$15 to \$20 per tonne: strong price outlook
- 114 million shares @ 20c = \$23 million market cap
- \$3.1 million cash 8 April + \$2.4 million pending

Fully funded if all goes to plan

AUSTRALIAN BAUXITE LIMITED

- Joint Venture with Xinfu Group - in due diligence
- \$0.5 million 5 month exclusivity payment received
- Xinfu to fund all project capital costs to earn 50%
- ABx can refund Xinfu and lock-in 50:50 JV
- Xinfu to take \$2m placement at 38 cents (90% premium)

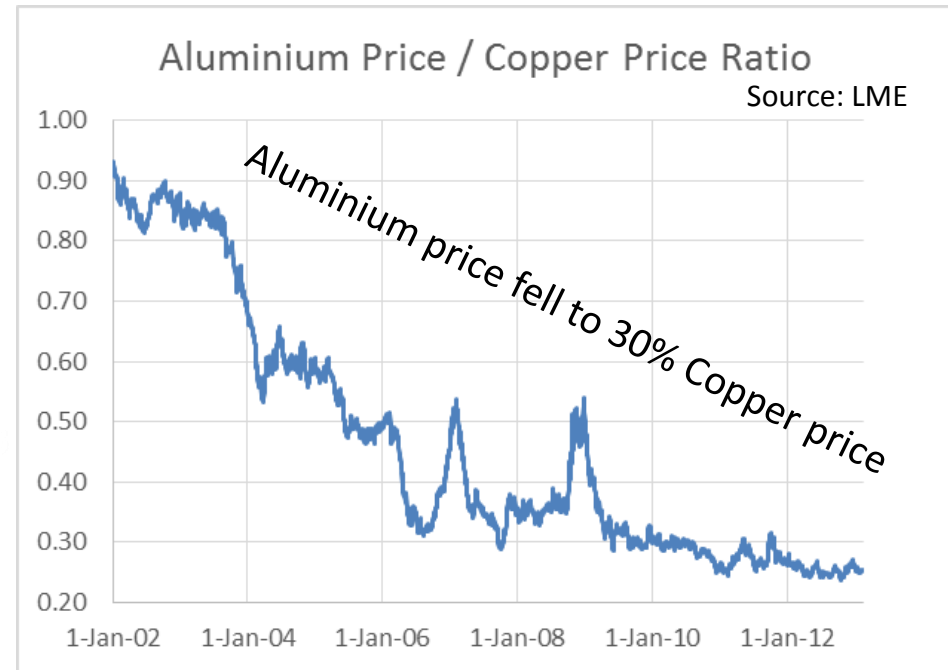
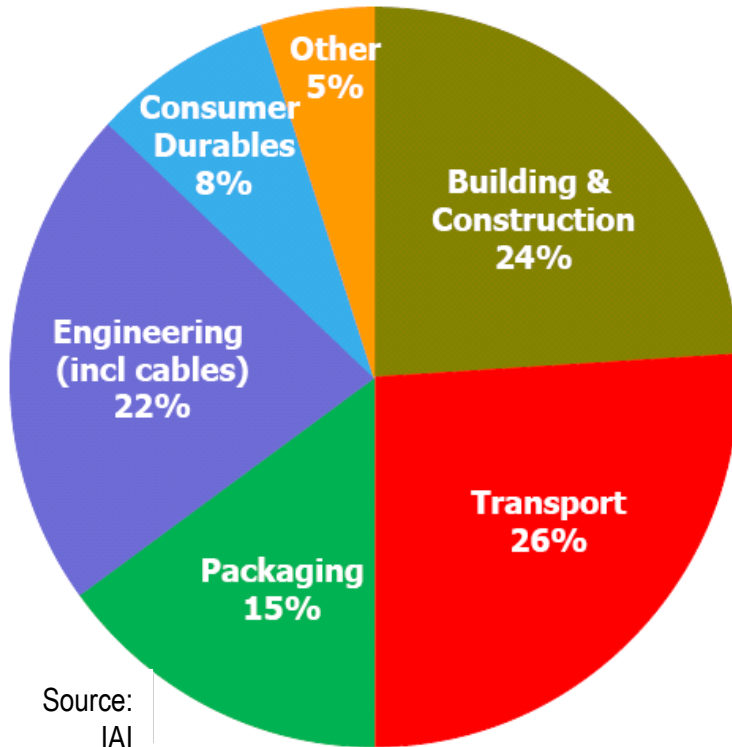
Whilst Xinfu has fully-funded the capital costs:

- Xinfu can take up to 70% of production each year
- Xinfu can buy 20% of project to have 70% of project

“My goal is to pay dividends in 2015/16”. I Levy, CEO

Aluminium use: 40% construction, 45% consumption

Aluminium cost advantage over copper & steel is increasing



**Aluminium consumption growing fast, but
Aluminium prices are flat
& yet bauxite is booming ! Why ?**

Market Fundamentals: New Industry Structure

Australia,
Indonesia

China,
India

Russia, China, India,
Middle East: Modern
Giant New Smelters

Bauxite

Alumina

Aluminium



Refining



Smelting



4-5 tonnes

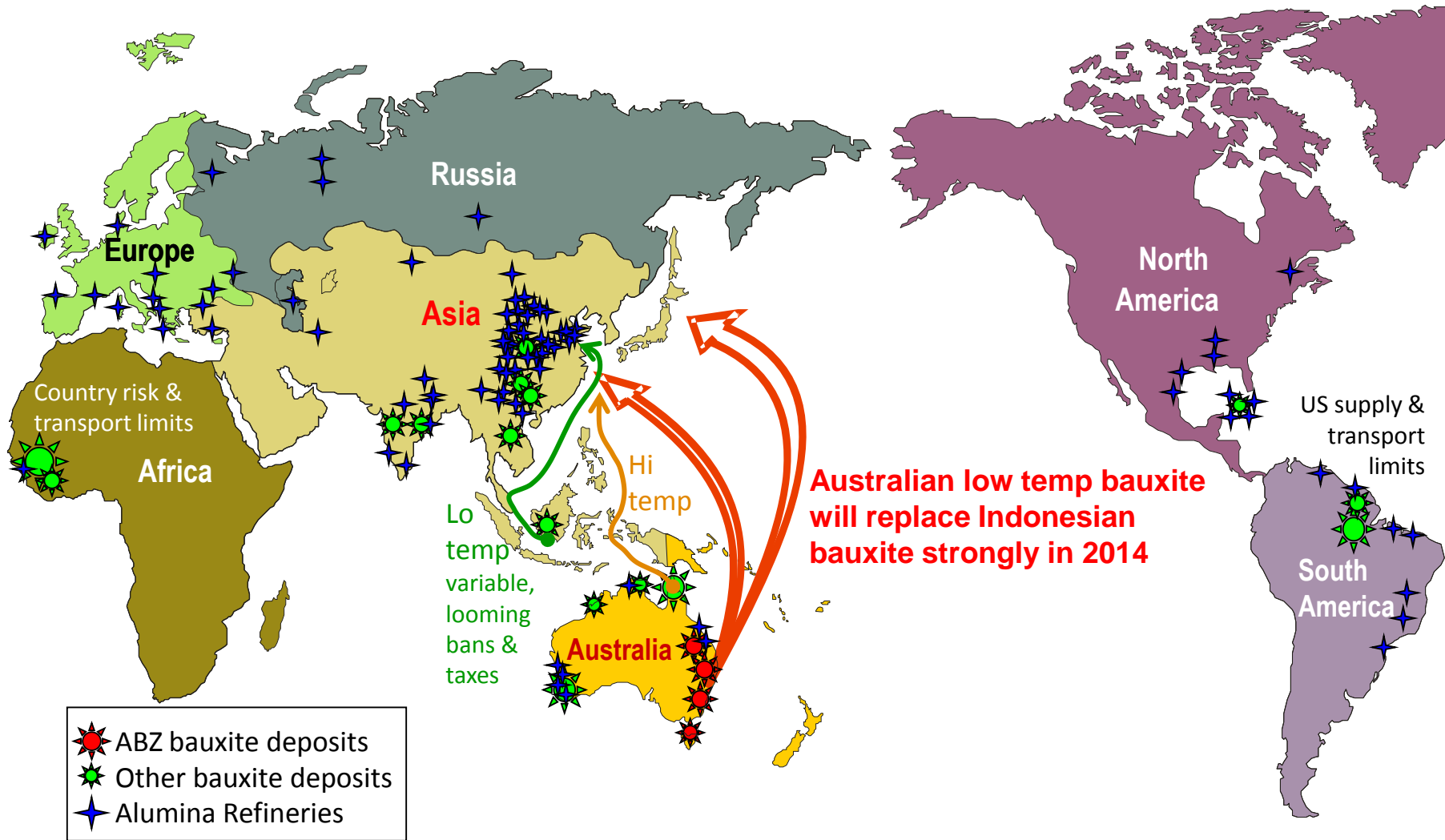
2 tonnes

1 tonne

Figure:
Alumina
Limited

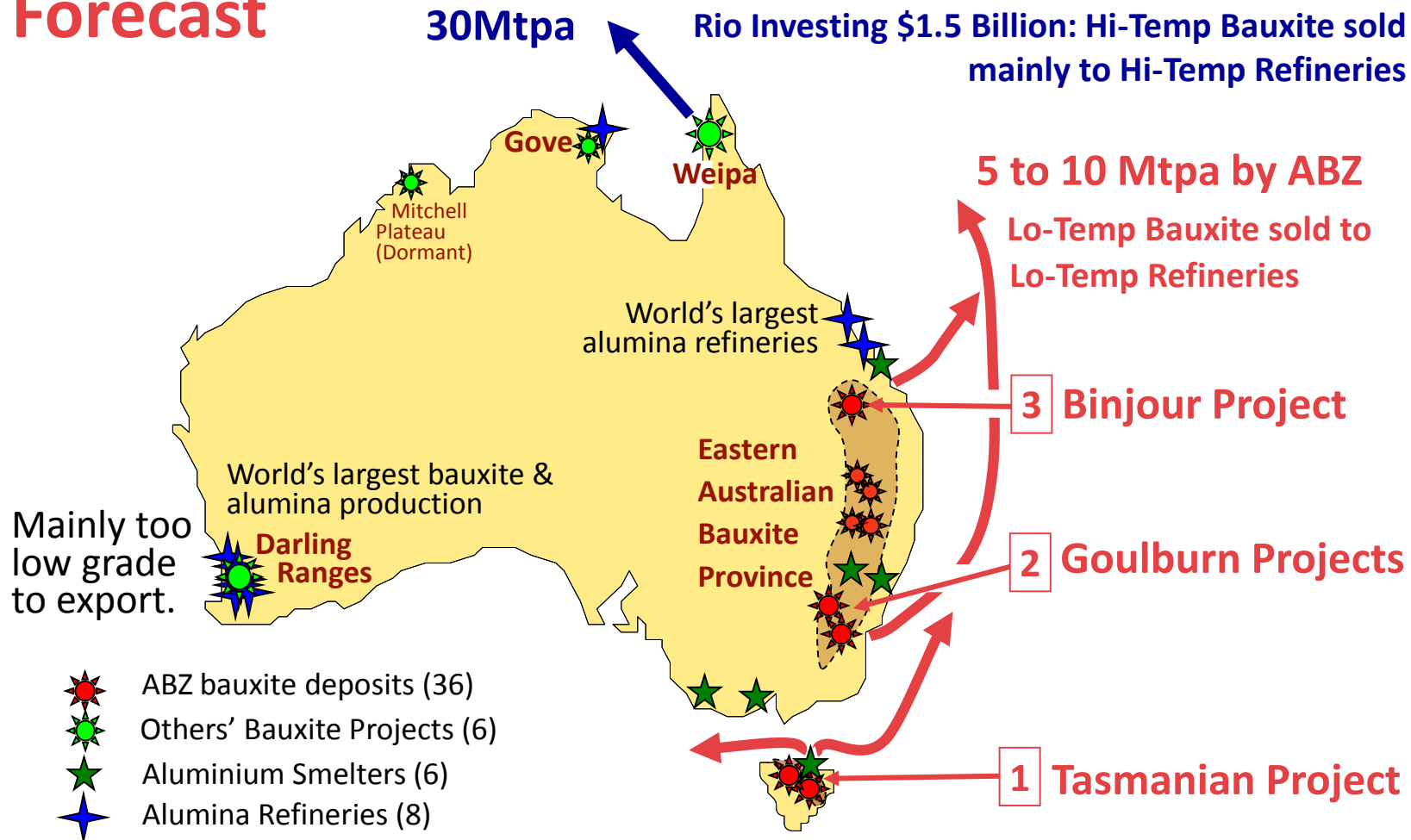
- New Smelters use 30% less electricity per tonne aluminium
 - Aluminium Oversupply: new smelters buying market share
 - China must import 40% of its bauxite
 - Indonesian bans/tax tightened in 2012 & much more in 2014
- => Strong demand for Oz bauxite in China

China-Australia Trade



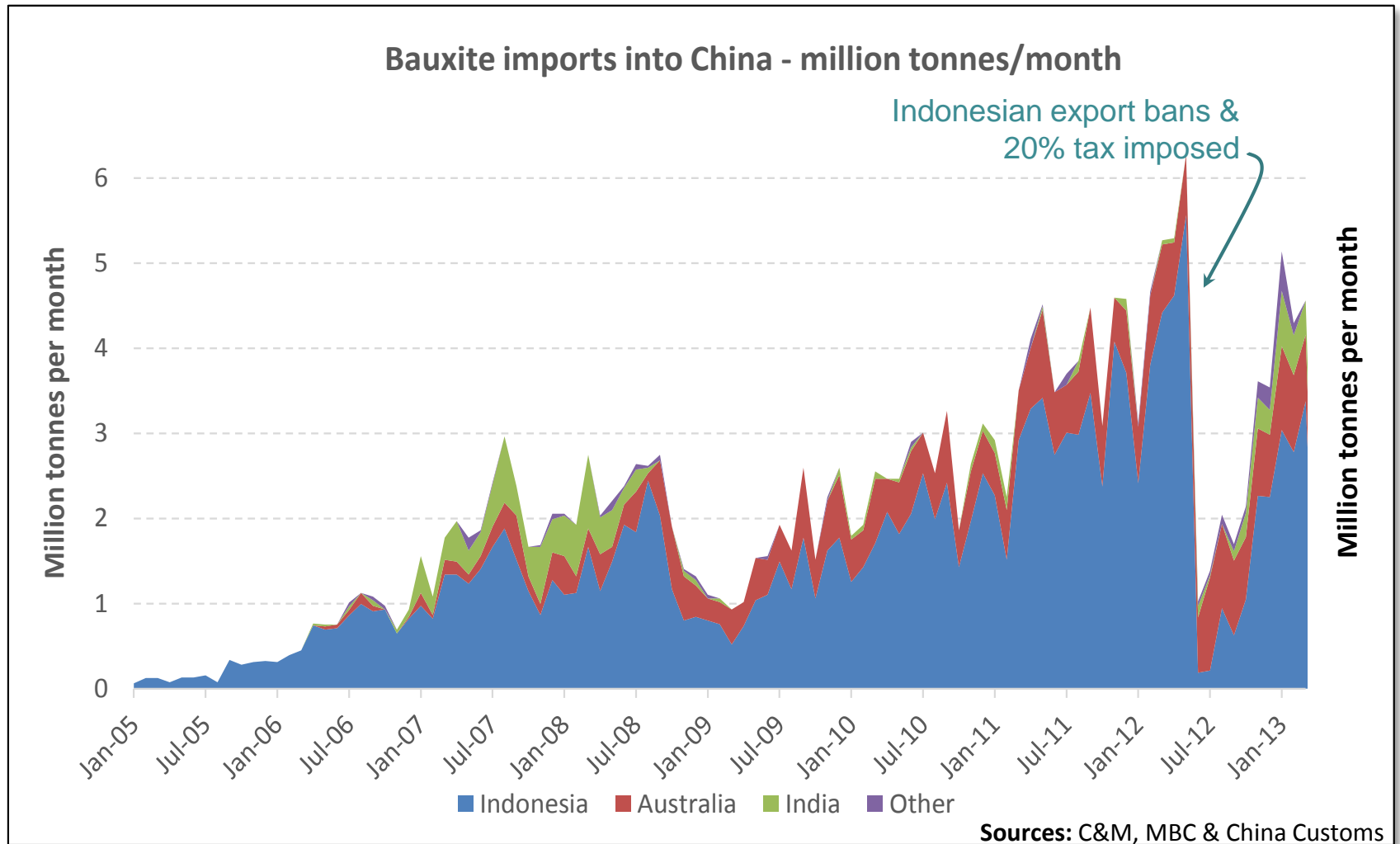
Australia Will Increase Bauxite Exports

Forecast



Rio exports high temperature bauxite to China's high temp. refineries
ABZ will supply low temperature bauxite to low temperature refineries

Strong Chinese Bauxite Imports



Indonesian supply will reduce further in 2014 as export bans & taxes increase
AUSTRALIA'S & ABZ'S OPPORTUNITY IS NOW

Strong Chinese Bauxite Prices



Sources: C&M, MBC & China Customs

Indonesian export tax on bauxite increases from 20% to 50% in 2014 = + US\$60/t
AUSTRALIA'S & ABZ'S OPPORTUNITY IS NOW

Costs & Timetable For ABZ's First Projects

<u>Project</u>	<u>Date</u>	<u>Tonnes pa</u>
1 Tasmania	2014 @0.8-2.5Mtpa	
Capex	A\$10 million	
Opex	A\$27 / t FOB	
2 Goulburn Sth	2015 @ 1-2Mtpa	
Capex	A\$20 million	
Opex	A\$30 / t FOB	
3 Goulburn Nth	2017 @ 2-3Mtpa	
Capex	A\$90 million	
Opex	A\$37 / t FOB	
3 Binjour QLD	2018 @ 1-5Mtpa	



Corporate Details

ASX Code : ABZ **Listed 24 Dec'09 at \$0.20**

Shares	113.8 million
Options	3.7 million
Market Cap (\$0.20)	\$23 million
Cash (31 Dec'12)	\$3.1 million = 2 yrs budget
Share range	\$0.19 to \$0.84
Avg Daily Volume	65,000

Major Shareholders	Shares	%
Hudson Resources	32.7 million	28.7%
Gleneagles Securities	8.0 million	7.0%
State One Capital	8.0 million	7.0%
Soul Pattinson	6.3 million	5.5%
Top 20 Holders	74.9 million	65.8%
Shareholders	998	

ABZ Shares 6 Months

A\$



Board of Directors

John Dawkins ¹	Non-executive Chairman
Peter Meers	Exec Dir & Vice Chairman
Ian Levy	CEO & Managing Director
Jacob Rebek ²	Executive Director & CG
Ken Boundy ³	Non-executive Director
Wei Huang	Non-executive Director
Henry Kinstlinger	Company Secretary

1. Past Australian Treasurer & Minister for Finance

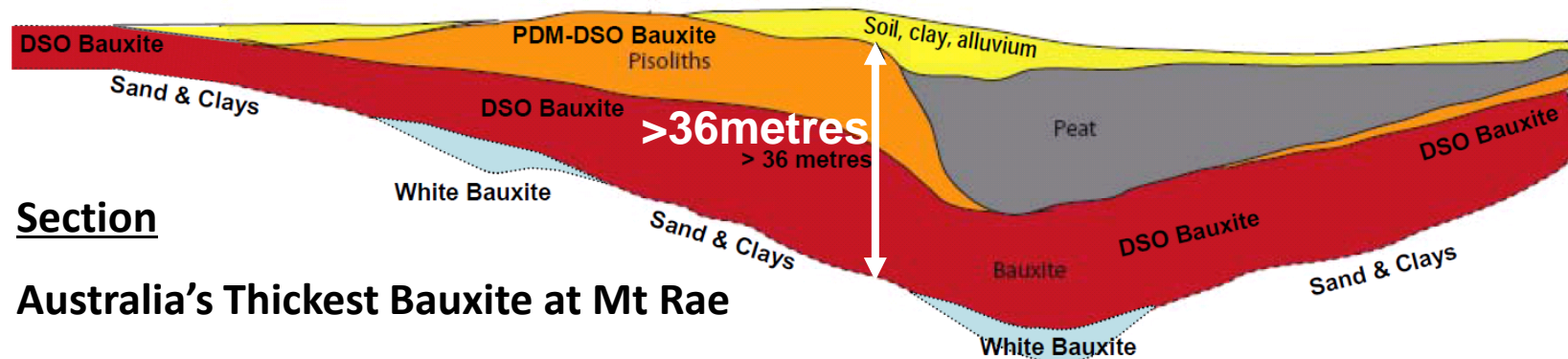
2. Chief Geologist Rebek is ex CRA (Rio) Chief Geol. Led the discovery teams at Century Zinc '93 & Eastern Australian Bauxite '06-09

3. Investor in Tasmanian tourism. Holds senior public positions



OUR BAUXITE: Low temperature type

- 116 Mt JORC Resource +200Mt target
- Surface, easy mined, thickest bauxite in Australia
- Low-temperature, gibbsite bauxite, low silica, boehmite-free 42% Al_2O_3 3% SiO_2 23% LOI



Good Logistics



Railways & highways
deliver to export ports, all
with large spare capacity

Simple start-up in Tasmania

Mining leases designed 2 months early

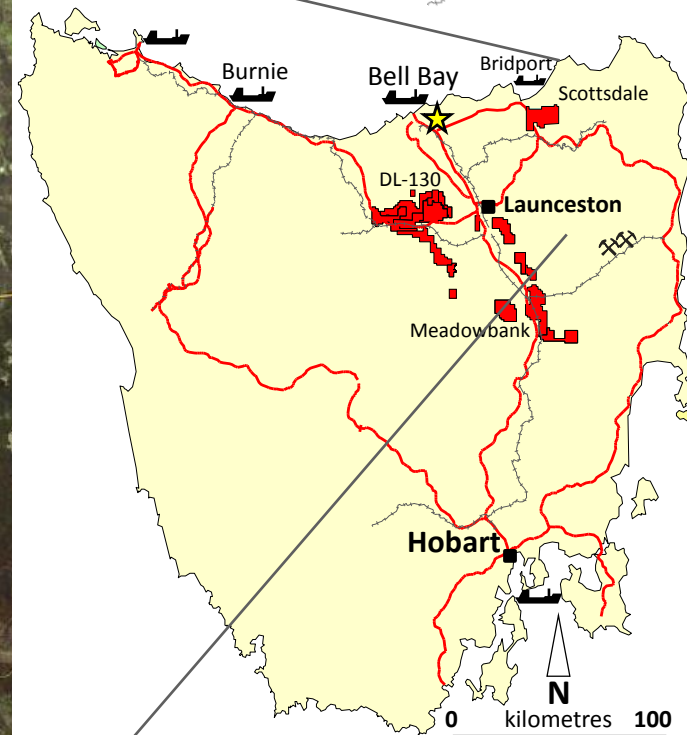


Bell Bay Bulk Port



LEGEND

- ABx Bauxite Lease
- Major Export Port
- ★ Aluminium Smelter
- ✕✕ Coal Mines
- Major Roads
- Rail Lines



Simple Start-Up Project in Tasmania



Drilling in scrub



Jacob Rebek in replanted blue gums



High Grade Bauxite at surface



Bauxite at surface



Drilling in plantation trees



Bauxite at surface

Bald Hills Bauxite Project, Tasmania

The Three Amigos



Chief Geologist
Jacob Rebek

Snr Mining Engineer
Drago Panich

Chief Operating Officer
Leon Hawker



Bauxite Ridges; Gorse Weeds
CN-073 Mining Lease Application

Good Landholder Relations



ABZ endorses best practices on agricultural land to leave land & environment better than we find it.

We only operate where welcomed.