



AUSTRALIAN BAUXITE LIMITED

ASX:ABZ

ASX ANNOUNCEMENT

15 May 2014

About Australian Bauxite Limited

ASX Code ABZ

Australian Bauxite Limited (ABx) is well advanced to establish its first mine in Tasmania (ML 1961).

ABx holds the core of the newly discovered Eastern Australian Bauxite Province. Its 37 bauxite tenements in Queensland, NSW and Tasmania covering 5,029 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 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.

The company's bauxite is high quality and can be processed into alumina at low temperature – the type that is in short-supply globally.

On the mainland, ABx has declared Mineral Resources in Inverell, northern NSW, at its Taralga project in southern NSW; at Guyra and at the Binjour Plateau in central QLD confirming that ABx has discovered a significant bauxite deposit including some bauxite of outstandingly high quality.

In Tasmania, at Bald Hill, the Company's first bauxite mine is targeted for production in late 2014.

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.

CEO Presentation at Sydney Resources Roundup

In accordance with the requirements of Listing Rule 3.1 we submit the attached material being presented today at the Sydney Resources Roundup.

Mr Ian Levy, CEO is making the presentation.

For further information please contact

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ABZ

Developing first 2 bauxite mines, 3rd targeted
Strong bauxite market

15 May 2014

Bauxite is the ore for aluminium



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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.

Mineral Resources

	Inferred Mt	Indicated Mt	Total Mt
Inverell (Northern NSW) ¹	17.5	20.5	38.0
Taralga (Southern NSW) ²	17.5	20.4	37.9
Guyra (Central QLD) ³	2.3	3.8	6.0
Binjour (Central QLD) ⁴	9.0	15.5	24.5
Tasmania (TAS) ⁵	5.7	0.0	5.7
ML80126 (QLD) ⁶	3.5	0.0	3.5
Global Mineral Resource	55.5	60.2	115.6

The information in this report relating to Mineral Resources was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

The information in this report that relates to Mineral Resources is based on previously released reports:

¹ ASX Inverell JORC Resource Update, 38.0 Million Tonnes created on 08/05/2012

² ASX Taralga Bauxite Resource Increased 50% to 37.9 Million Tonnes created on 30/05/2012

³ ASX Maiden Guyra Resource, 6.0 Million Tonnes created on 15/08/2011

⁴ ASX Binjour Maiden Resource, 24.5 Million Tonnes created on 29/07/2012

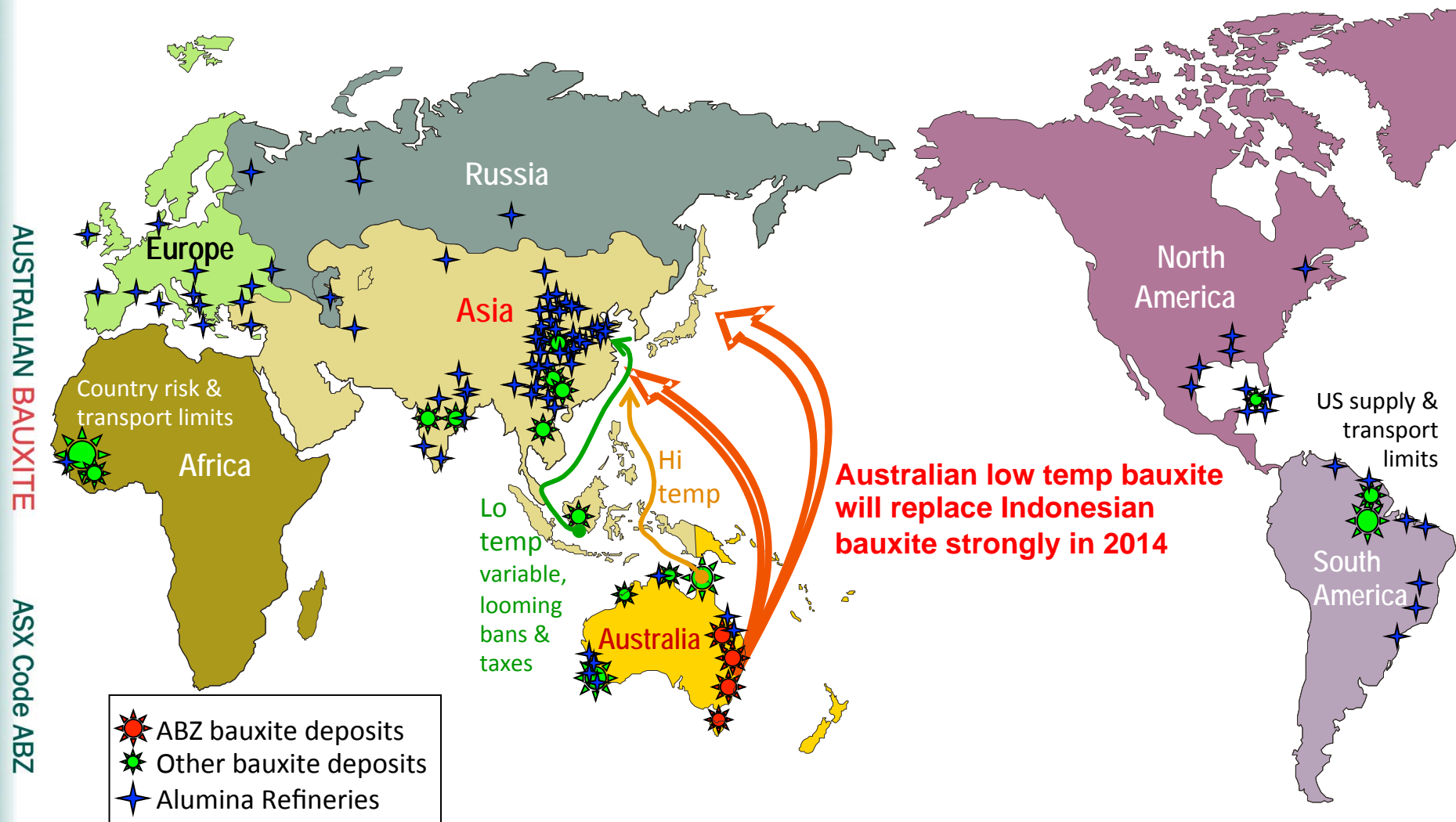
⁵ ASX Maiden Tasmania JORC Resource, 5.7 Million Tonnes created on 08/11/2012

⁶ ASX Maiden QLD Mining Lease JORC Resource, 3.5 Million Tonnes created on 03/12/2012

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.

China bauxite trade: Indonesian bans hurting



**Australia will supply China's 38 large refineries
Indonesian reductions, especially from 2014**

Costs & timetable for ABZ's first projects

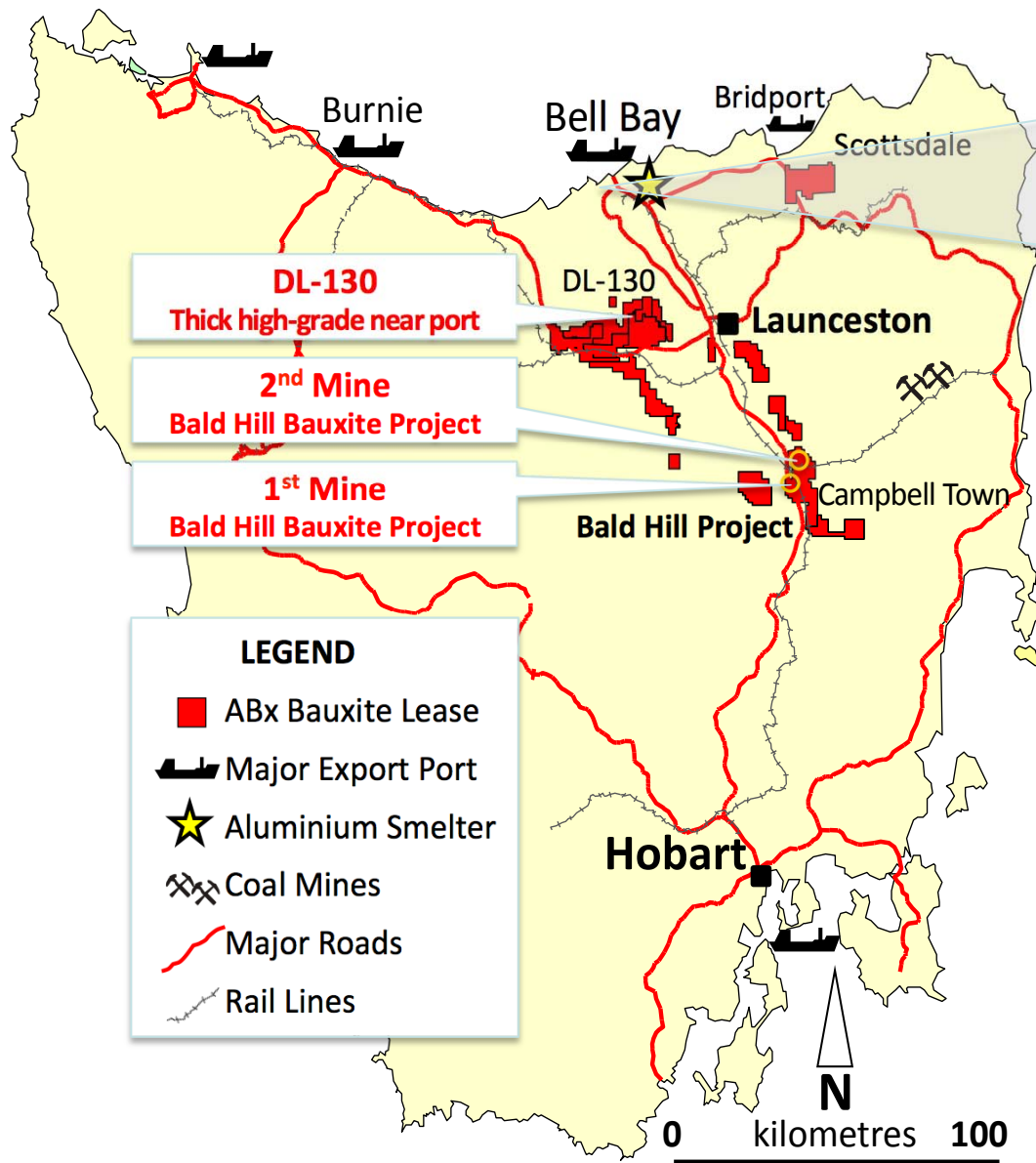
<u>Project</u>	<u>Date</u>	<u>Tonnes pa</u>
1 Tasmania	2014 @ 0.5-2Mtpa	
Capex	A\$12 million	
Opex	A\$29 / t FOB	
2 Binjour QLD	2018 @ 1-5Mtpa	
3 Goulburn Sth	2018 @ 1-2Mtpa	
Capex	A\$20 million	
Opex	A\$30 / t FOB	
4 Goulburn Nth	2019 @ 2-3Mtpa	
Capex	A\$90 million	
Opex	A\$37 / t FOB	



Locations & infrastructure in Tasmania

AUSTRALIAN BAUXITE

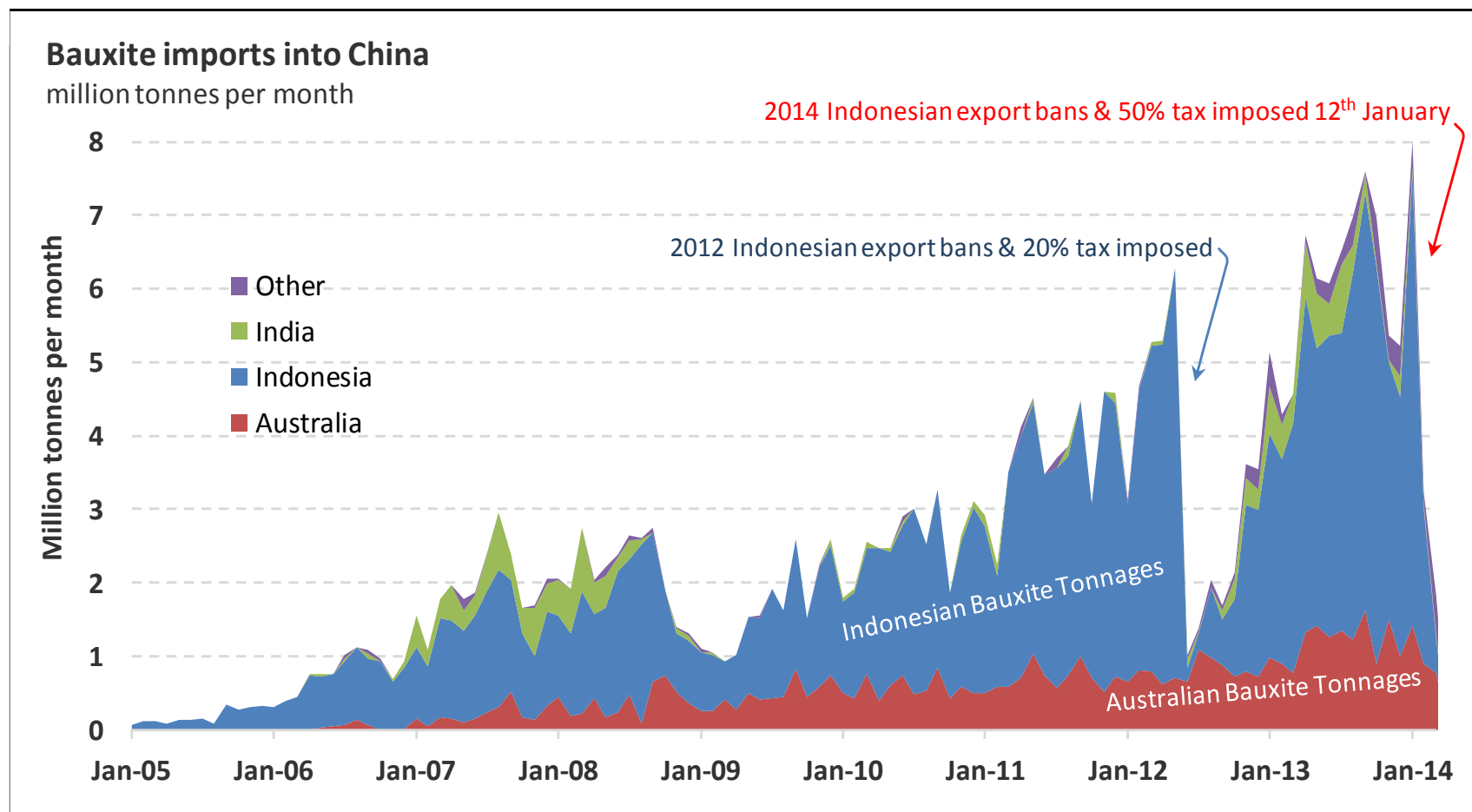
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AUSTRALIAN BAUXITE LIMITED

- 1st Mine Lease well-advanced & 2nd underway
- 3rd Mine Target identified – with 12km potential
- 3 Tasmanian mines each producing ~0.8 mill tonnes pa
- Mobile equipment (incl port) can reduce capital cost
- Mining & transport by expert contractors
- Operating cost less than \$29 per tonne FOB
- 127 million shares @ 20^c = \$25 million market cap
- \$2.8 million cash @ 31 Mar'14: 2 Years
- Now seeking financing deal in **strong bauxite market**

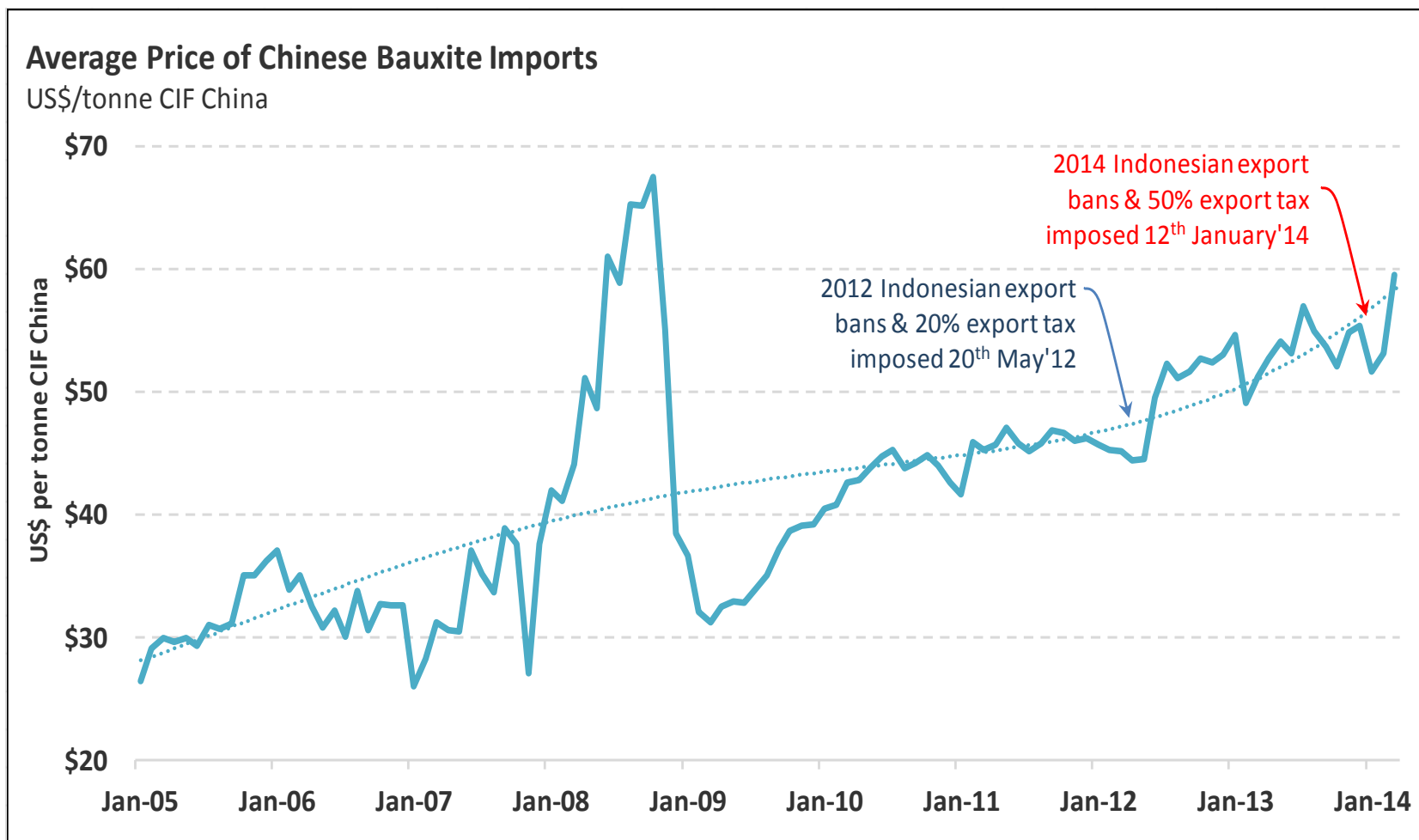
Chinese bauxite imports fell +70% after Indonesian export bans & taxes took effect



Sources: C&M, MBC & China Customs

Indonesian supply collapsed after 12 January 2014 bans & export tax increased from 20% to 50%. AUSTRALIA'S & ABZ'S OPPORTUNITY IS NOW

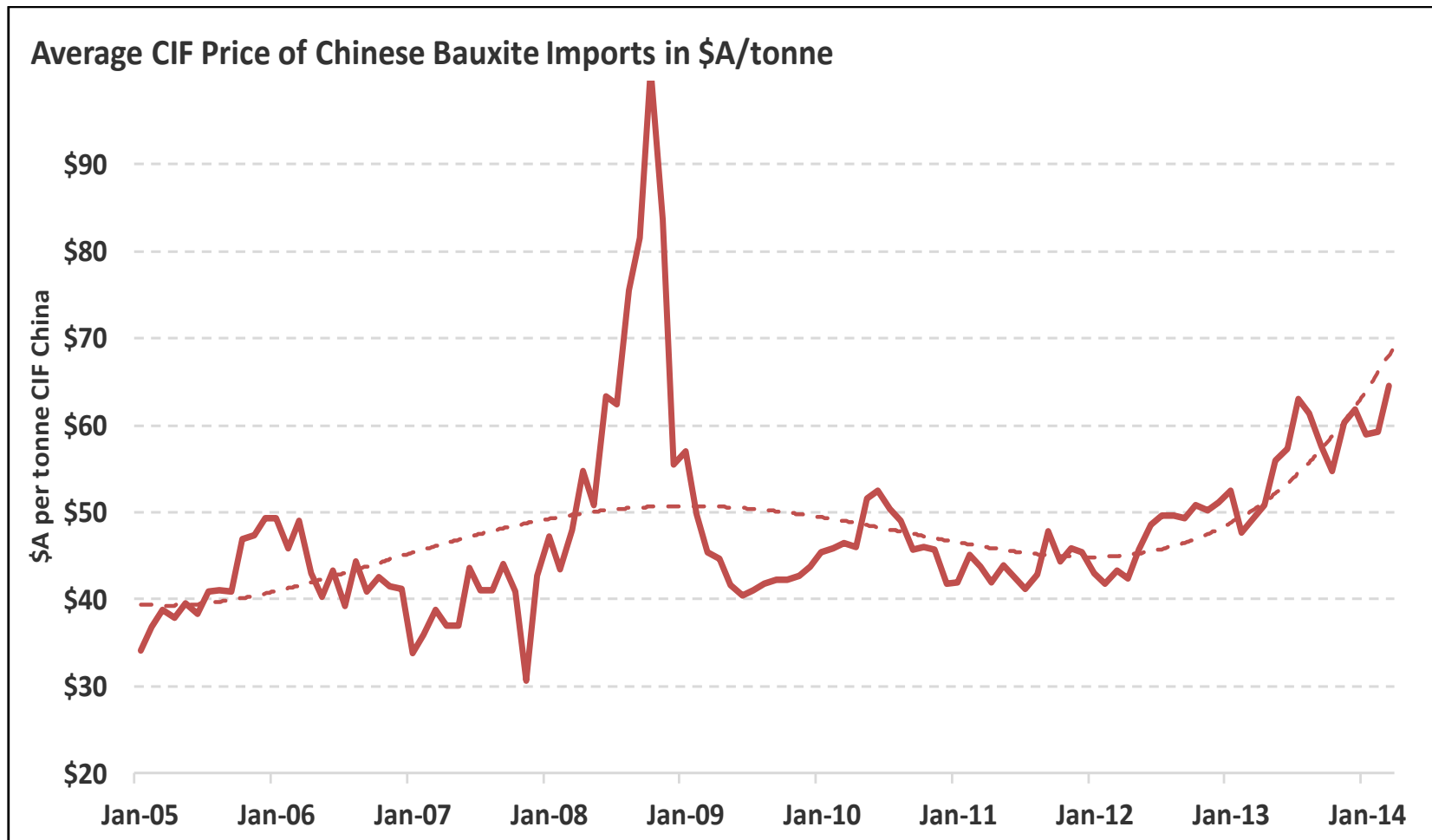
Chinese bauxite prices in US\$ rising strongly



Sources: C&M, MBC & China Customs

Indonesian export tax increased from 20% to 50% January 2014 = + US\$60/t likely
AUSTRALIA'S & ABZ'S OPPORTUNITY IS NOW

Chinese bauxite prices in A\$ rising sharply



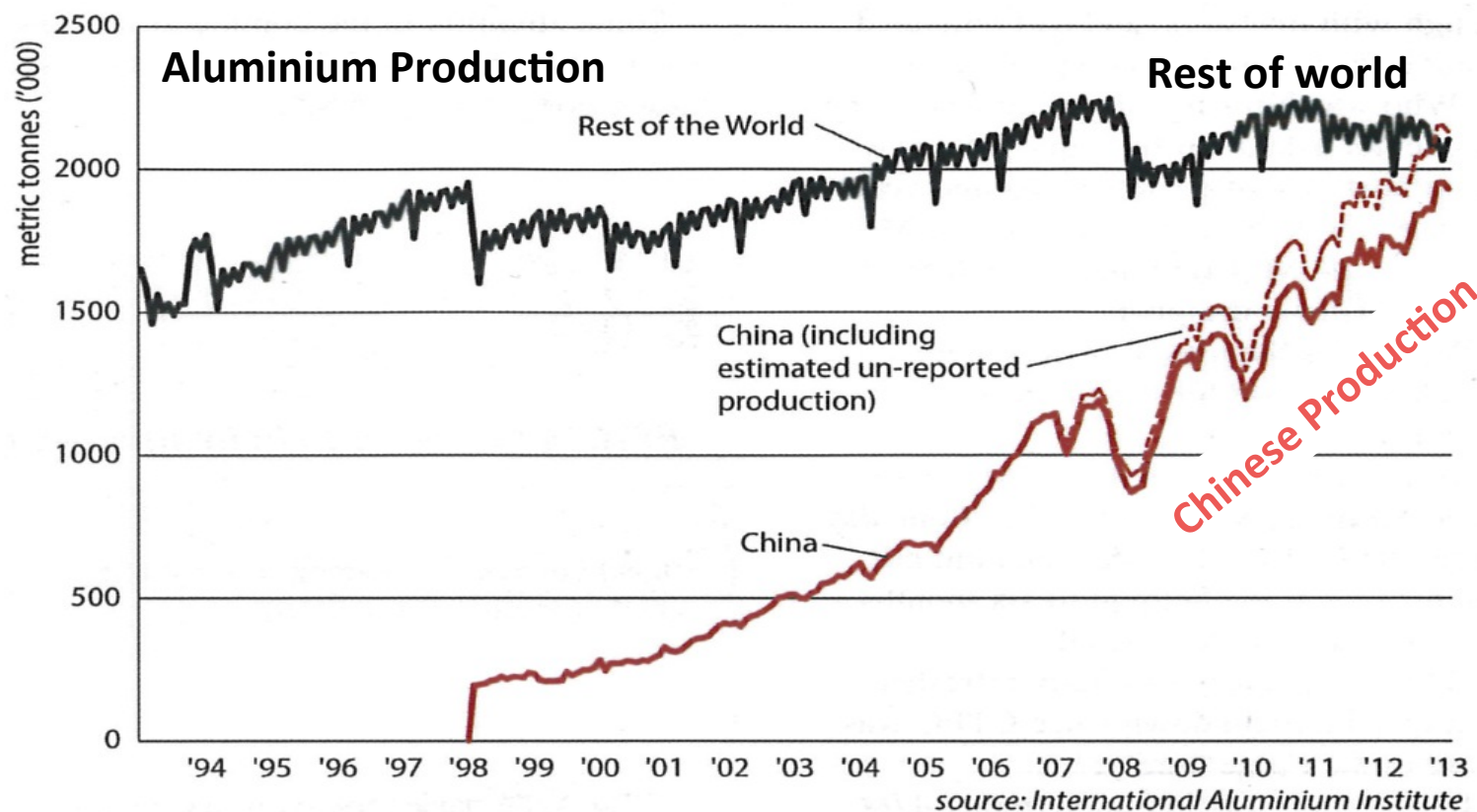
Sources: C&M, MBC, China Customs & RBA

Chinese bauxite imports from Guinea are costing more than A\$100/tonne CIF
ABZ'S OPPORTUNITY IS NOW

Production: massive Chinese growth



Figure:
Alumina
Limited



= Growing demand for Australian bauxite



OUR BAUXITE: Low temperature type

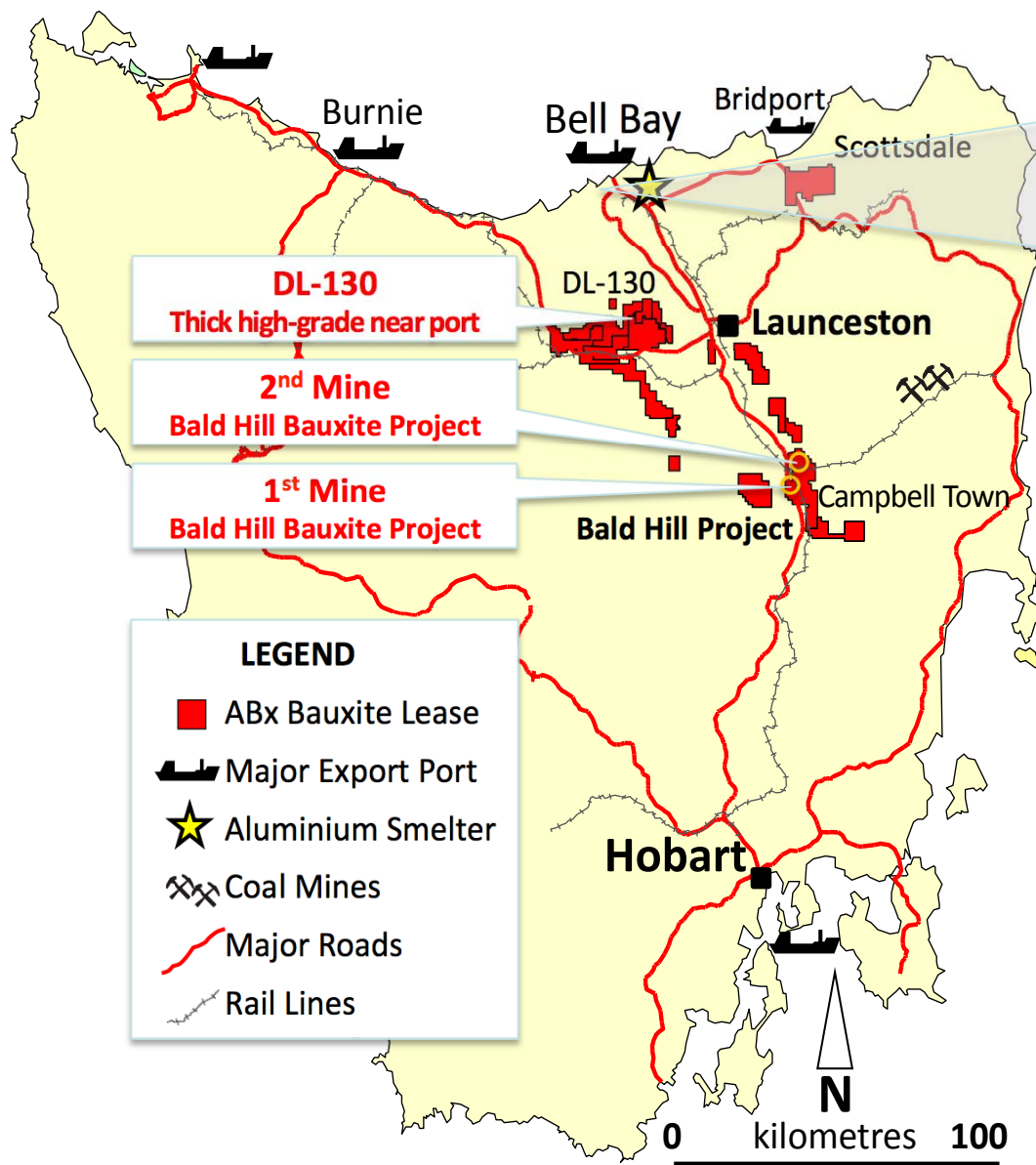
- 116 Million tonnes Mineral Resources
(See Mineral Resources Slide)
- Surface, easy mined, thickest bauxite in Australia
- Trihydrate gibbsite bauxite with very low silica
42% Al_2O_3 3% SiO_2 23% LOI



Locations & infrastructure in Tasmania

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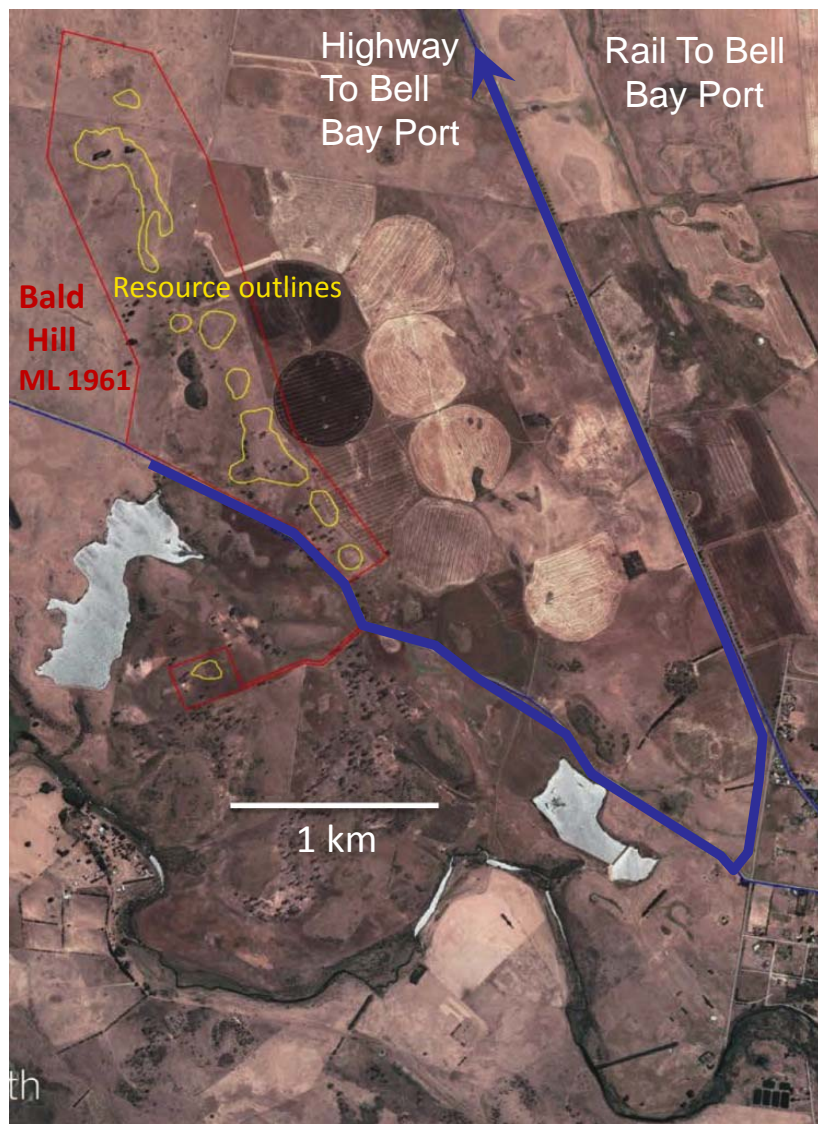
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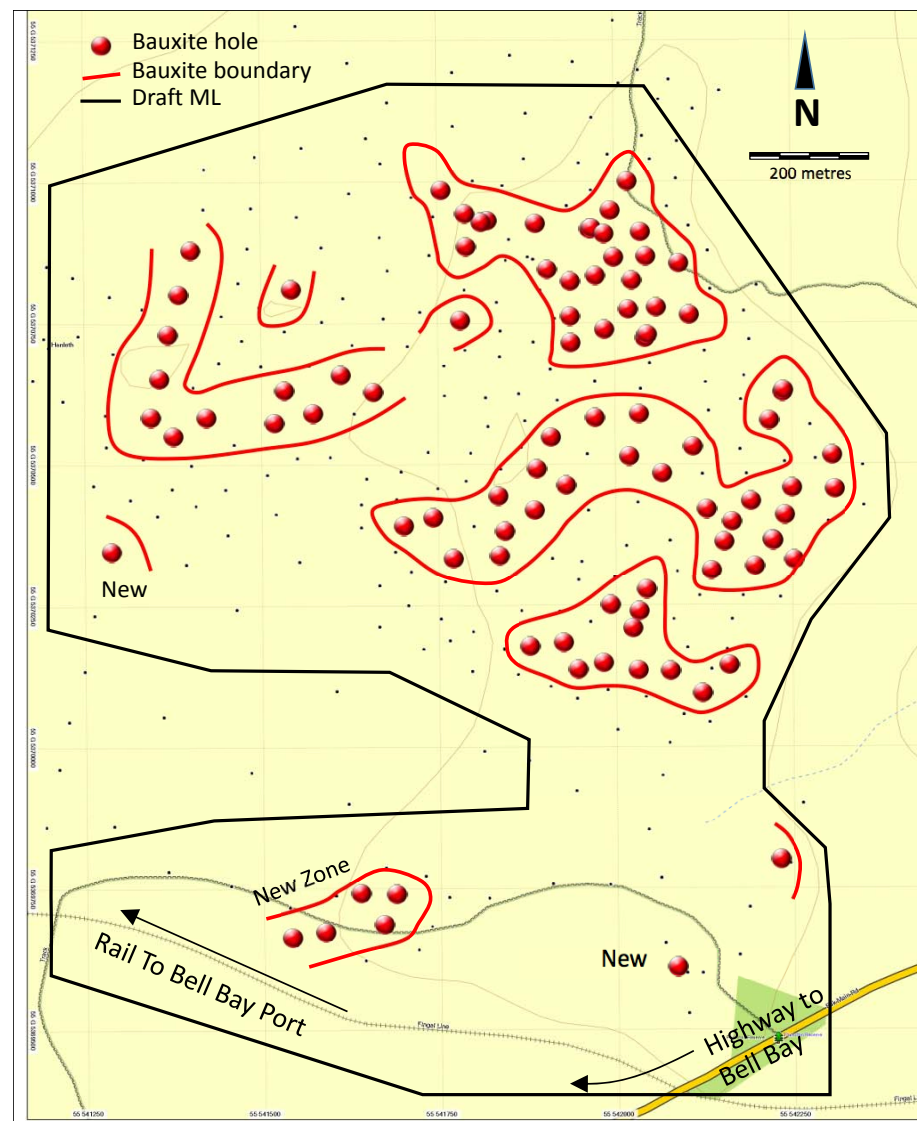
First 2 Mining Leases defined in Tasmania

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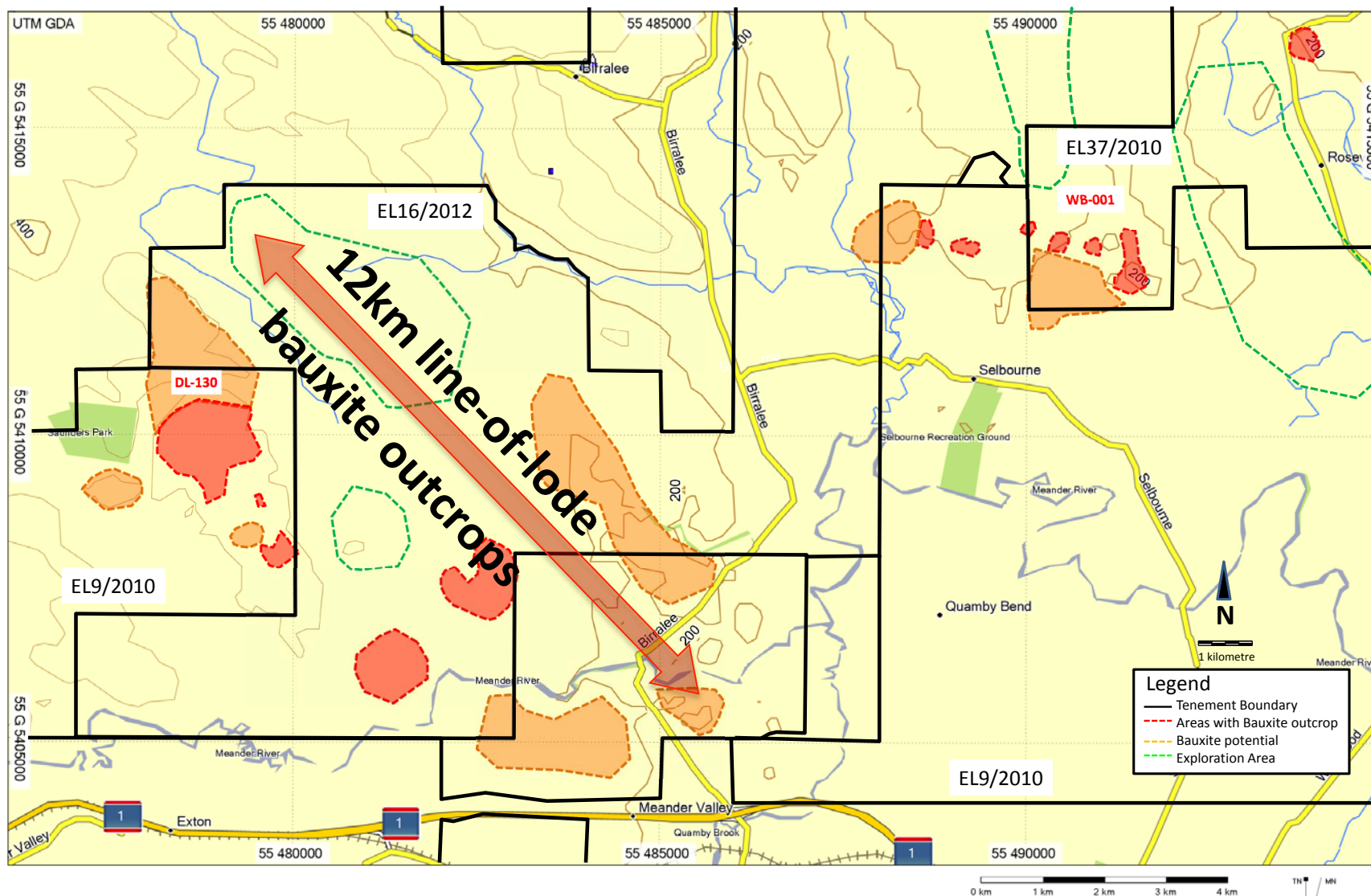


Bald Hill ML 1961



Fingal Rail Draft ML

3rd Mining lease target at DL-130 in Tasmania



Thickest high-grade bauxite in Tasmania, up to 14 metres thick

Testing 3 bauxite projects in Tasmania

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Bulk test pits



DL-130 Project



Dry screening bulk samples



Bald Hill Bauxite as Mined



Fingal Rail Bauxite as Mined

Bald Hill bauxite product



Fingal Rail bauxite product



Excellent rehabilitation



Hire new-technology equipment

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Surface miners (hired)



Mobile Shiploaders (hired)



Grade Control during surface mining



Bulk shipping all year round

Good landholder relations



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

We only operate where welcomed.

Corporate details

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

Shares	127.0 million
Options	3.7 million
Market Cap (\$0.20)	\$25 million
Cash (31 Mar'14)	\$2.8 million = 2 yrs budget
Share range	\$0.16 to \$0.84
Avg Daily Volume	150,000

ABZ Shares 6 Months

A\$



Major Shareholders	Shares	%
Gleneagles Securities	16.0 million	12.6%
RNB Resources	11.3 million	8.9%
State One Capital	8.3 million	6.5%
Soul Pattinson	5.8 million	4.6%
Top 20 Holders	68.8 million	54.2%
Shareholders	2,458	

Board of Directors

John Dawkins ¹	Non-executive Chairman
Ian Levy	CEO & Managing Director
Paul Lennon ²	Non-executive Director
Ken Boundy ³	Non-executive Director
Kon Tsiakis	Non-executive Director
Henry Kinstlinger	Company Secretary

¹ Past Australian Treasurer, Finance & Education Minister

³ Past Premier of Tasmania & Investor in China

² Investor in Tasmanian tourism. Holds senior public positions

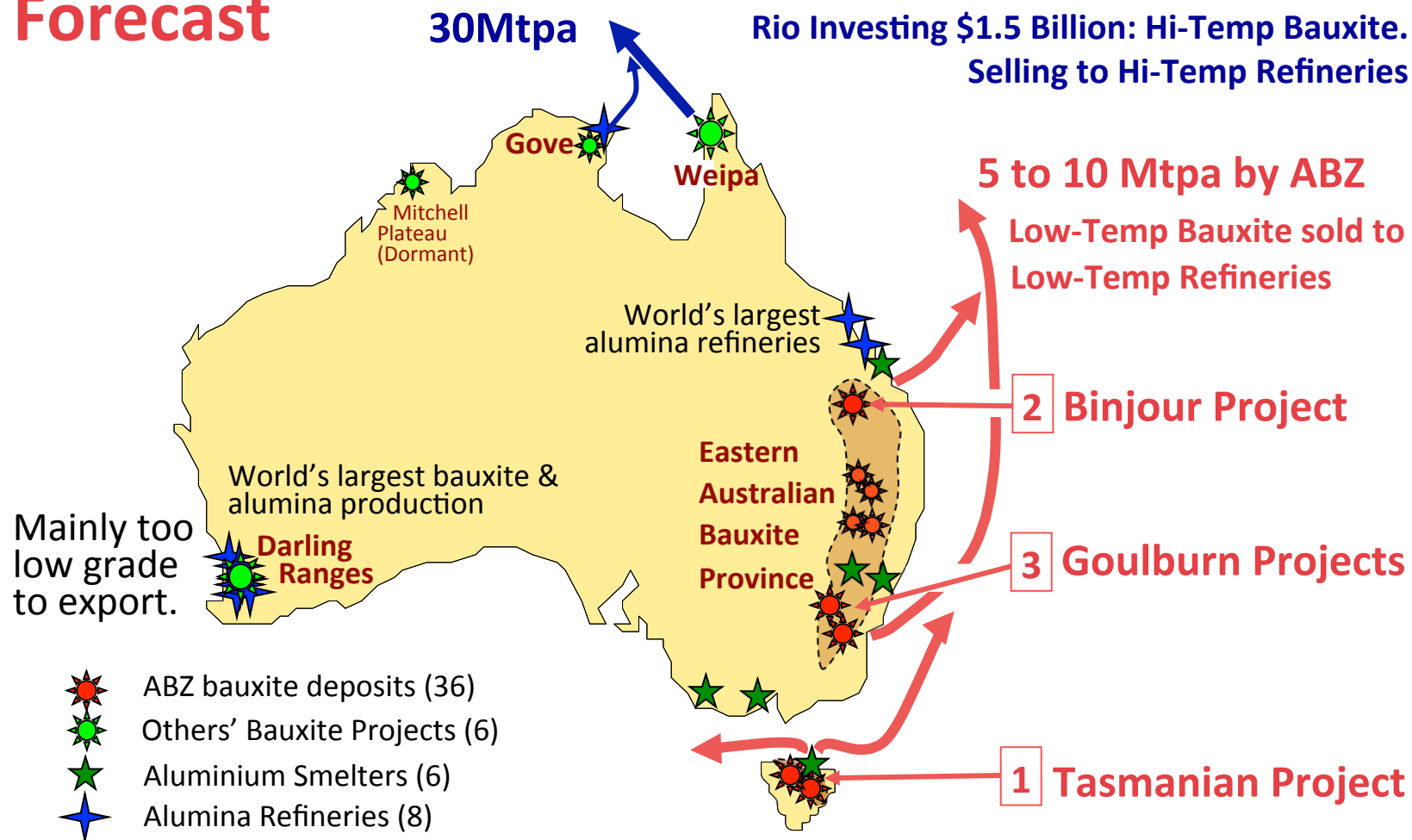
Jacob Rebek^{*} Chief Geologist

^{*}Ex CRA-Rio Chief Geologist, led discovery team Century Zinc '93 & Eastern Australian Bauxite '06-09



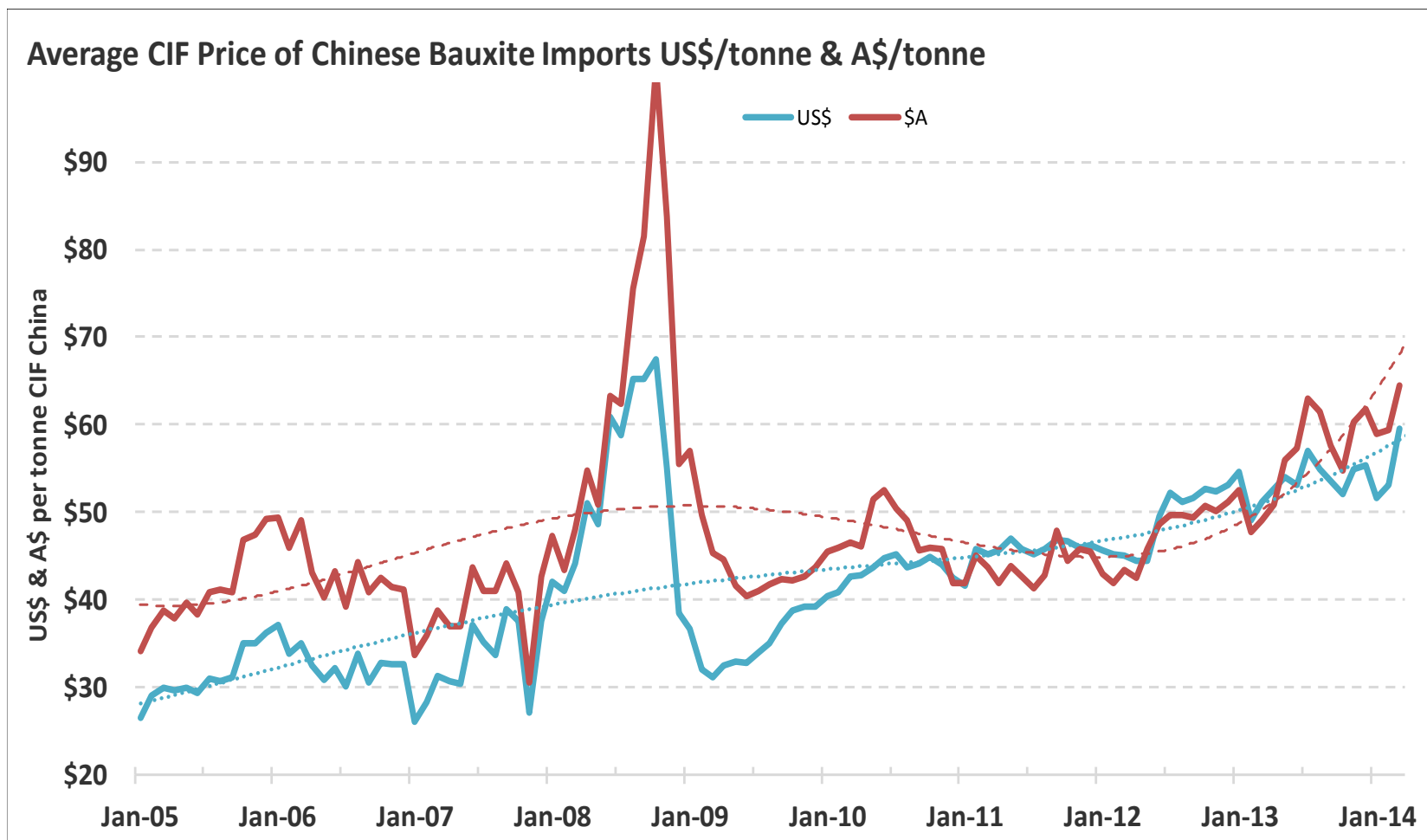
Australia Will Increase Bauxite Exports

Forecast



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

Chinese bauxite prices in A\$ rising sharply



Sources: C&M, MBC, China Customs & RBA

Chinese bauxite imports from Guinea are costing more than A\$100/tonne CIF
ABZ'S OPPORTUNITY IS NOW