



AUSTRALIAN BAUXITE LIMITED
ASX: ABX

ASX ANNOUNCEMENT
13 October 2014

ABx and Noble Group establish strategic alliance for Tasmanian Project

- Noble to provide A\$6 million project finance (supported by A\$2 million stand-by facility if required to expand the operations)
- Noble to provide marketing and supply chain management services for 50% of the production on an open book basis
- Noble to off-take balance 50% as principal for the first 4 years to support product market entry and project start-up
- Agreement to apply to all ABx Tasmanian projects. Other projects in NSW & QLD excluded

ABx4 Pty Ltd (ABx⁴), a wholly owned subsidiary of Australian Bauxite Limited (ASX: ABx), has concluded a binding term sheet with Noble Resources International Pte Ltd (Noble) granting Noble the exclusive global marketing rights in respect to the Tasmanian Project, in consideration for Noble agreeing to enter into the Loan Facility and supportive marketing-off-take agreements (Term Sheet).

The terms of the Term Sheet are binding on the parties.

ABx⁴ and Noble are to complete long form agreements, within 30 days, consisting of a Loan Facility, Marketing Agreement, Marketing Royalty Deed and Noble Offtake Agreement.

The non-confidential terms are summarised below.

"This strategic alliance will accelerate ABx's entry into the current strong bauxite market by providing finance and access to Noble's global marketing network. We look forward to being involved in the branding of the low SiO₂ ABx bauxite products, maximising value for shareholders and supporting the Tasmanian economy over the medium term." Will Randall, Director, Noble Resources International Pte Ltd said.

ABx CEO, Ian Levy said; "It is an ideal outcome for shareholders. Noble has a proven track record in helping independent miners in Australia. Noble provides the funding, supportive off-take and marketing alliance that we wanted to rapidly enter the bauxite market. ABx has the same market outlook as Noble and has the flexibility to exploit market niches and grow stronger every year. We look forward to a long, mutually beneficial relationship with Noble.

"We are grateful for the support from investors and Tasmanian stakeholders. It's time for us to deliver."

Loan Facility

The \$6 million and \$2 million loan facilities are to each be repaid within two years from their first drawdown dates. It is anticipated that A\$1 million will be required for the first drawn-down by December 2014 when the project is planned to commence.

Interest will accrue at a rate of 8.75% per annum on the outstanding balance. ABx will provide a guarantee over its Tasmanian assets as security and Noble has been granted the first right of refusal on providing further funding in respect to the Tasmanian Project.

Marketing Agreement

Noble will be the marketing agent for all Product for the life of the Tasmanian Project, with open-book administrative, procedural and reporting arrangements with ABx⁴ so that sales will be mutually agreed.

Noble Offtake Agreement

Noble has agreed to purchase 50% of Product from the Tasmanian Project for the first four years at an agreed fixed price.

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Marketing Royalty Deed

Noble will be paid a royalty of 2.5% on all Product sold from the Tasmanian Project for the life of the Tasmanian Project but not for tonnes purchased by Noble under the Noble Offtake Agreement.

Definition of Product: All bauxite produced or mined in Tasmania from the Tasmanian Project.

About Noble Resources

Noble Resources is a wholly owned subsidiary of Noble Group Limited ("Noble") (SGX: N21) which manages a portfolio of global supply chains covering a range of agricultural and energy products as well as metals, minerals and ores. Operating from over 140 locations and employing more than 70 nationalities, Noble facilitates the marketing, processing, financing and transportation of essential raw materials. Sourcing bulk commodities from low cost regions such as South America, South Africa, Australia and Indonesia, Noble supplies high growth demand markets, particularly in Asia and the Middle East. In order to ensure the integrity of its supply chains, Noble has a portfolio of interests in strategic logistics and processing assets which form an integral part of facilitating its key trade flows. Noble is ranked number 76 in the 2013 Fortune Global 500. For further information visit Noble's website www.thisisnoble.com.

About Australian Bauxite Limited

Australian Bauxite Limited (ABx) is establishing its first mine in Tasmania and holds the core of the Eastern Australian Bauxite Province. ABx's 37 bauxite tenements in Queensland, New South Wales & Tasmania covering 5,029km² were rigorously selected for (1) good quality bauxite; (2) near infrastructure connected to export ports; & (3) free of socio-environmental constraints. All tenements are 100% owned, unencumbered & free of 3rd party royalties (other than reported above).

ABx's discovery rate is increasing as its technology & expertise grows.

The Company's bauxite is gibbsite trihydrate bauxite with low silica contamination & can be processed into alumina at low temperature – the type in short supply globally.

ABx has declared Mineral Resources at Inverell & Guyra in northern NSW, Taralga in southern NSW, Binjour in central QLD & in Tasmania confirming that ABx has discovered significant bauxite deposits including some of outstandingly high quality.

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

ABx aspires to identify large bauxite resources in the Eastern Australian Bauxite Province, which is emerging as a globally significant bauxite province. ABx has created significant bauxite developments in 3 states - Queensland, New South Wales & Tasmania. Its bauxite deposits are favourably located for direct shipping of bauxite to both local & export customers.

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

We only operate where welcomed.

Directors / Officers

Paul Lennon	Chairman
Ian Levy	CEO & MD
Ken Boundy	Director
Kon Tsiakas	Director
Henry Kinstlinger	Company Secretary
Julian Rockett	Company Secretary

For further information please contact

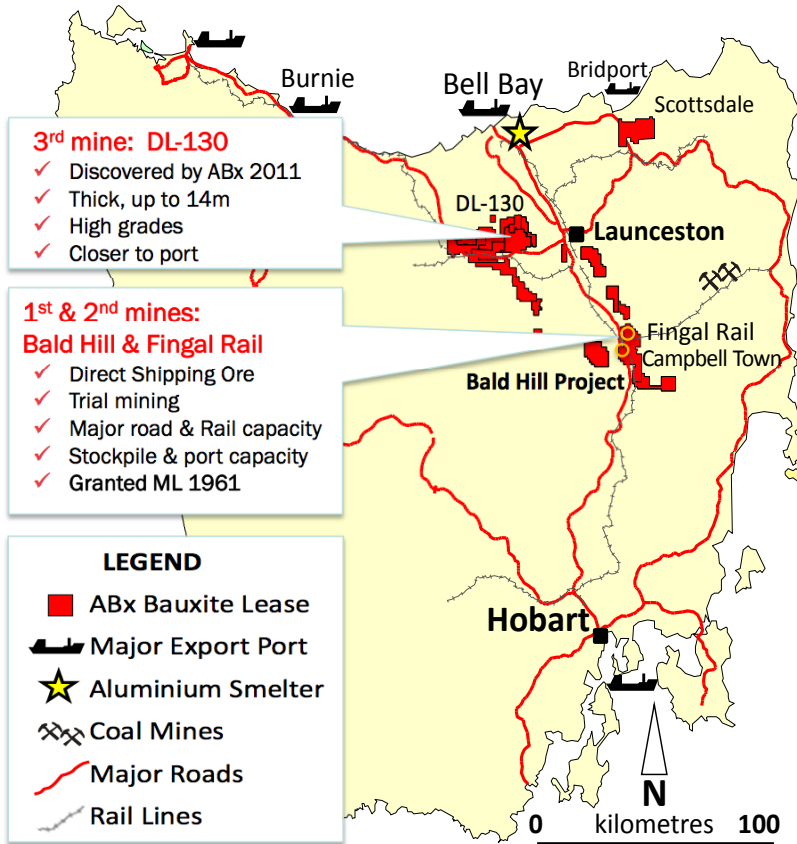
Ian Levy, CEO
Australian Bauxite Limited

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Bell Bay Export Port

100 km by Road or Rail



Bulk test pits & bulk samples

Figure 1: Locations of Projects and Infrastructure in Tasmania

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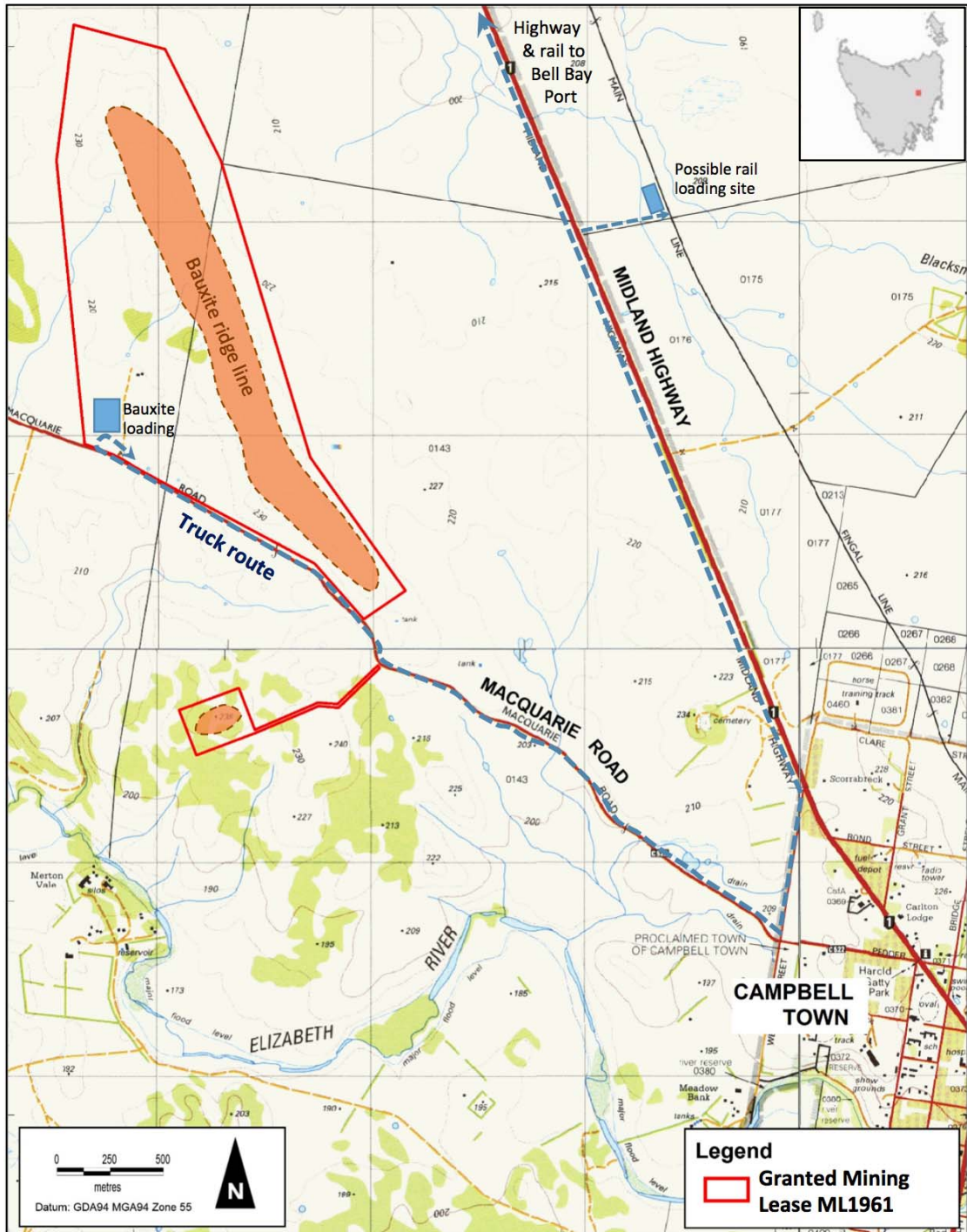


Figure 2: Bald Hill Mining Lease ML1961, Campbell Town, Tasmania



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Figure 3: ABx Project Tenements and Major Infrastructure