

**AUSTRALIAN BAUXITE LIMITED**

ASX Code: ABX

Sales update. Letter of Intent received for the next shipment of Tasmanian bauxite

Australian Bauxite Limited (ABx) has received a letter of intent for a significant shipment of cement grade bauxite from its Bald Hill Bauxite Project near Campbell Town, northern Tasmania.

ABx marketing and logistics officers are in discussions with the customer's senior officers about delivery arrangements. The customer has requested confidentiality. After a successful trial period of 2016 the same customer is now reordering and increasing its next order.

The shipment date is expected to be early in the fourth quarter but may be expedited to meet customer's requirements. ABx will report further developments as they arise.

ABx CEO, Ian Levy said; "Interest from new customers is increasing because we have a unique cement-grade product range and our reputation is spreading in an industry which is normally reluctant to change ingredients unless benefits are proven. And all at once, we are also getting requests for metallurgical bauxite sales into China and India at better prices than 3 months ago."

Product development for 2017-18: ABx's has had excellent results from the recently concluded bulk mining and processing trials at the Fingal Rail mine site in Tasmania which processed ores from both Fingal Rail and Bald Hill resources using TasTech technology. Laboratory results are pending.

It is now considered likely that in 2018, multi-product shipments will be possible to different customers, each having different quality requirements. TasTech produces the spectrum of grades and handling characteristics that was hoped for, and at increased yields at low cost.

For further information please contact:

Ian Levy, CEO and MD

Australian Bauxite Limited

Telephone: +61 (0) 2 9251 7177

Mobile: +61 (0) 407 189 122

About Australian Bauxite Limited**ASX Code ABX****Web: www.australianbauxite.com.au**

Australian Bauxite Limited (ABx) has its first bauxite mine in Tasmania and holds the core of the Eastern Australian Bauxite Province. ABx's 22 bauxite tenements in Queensland, New South Wales & Tasmania exceed 1,975 km² and were 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 third-party royalties.

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

The Company's bauxite is high quality gibbsite trihydrate (THA) bauxite that can be processed into alumina at low temperature.

ABx has declared large 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.

At Bald Hill near Campbell Town, Tasmania, the Company's first bauxite mine commenced operations in December 2014 – the first new Australian bauxite mine for more than 35 years.

ABx aspires to identify large bauxite resources in the Eastern Australian Bauxite Province, which is a globally significant bauxite province. ABx has created significant bauxite developments in 3 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.

Directors

Paul Lennon

Ian Levy

Ken Boundy

Henry Kinstlinger

Chairman

CEO & MD

Director

Company Secretary

Officers

Leon Hawker

Jacob Rebek

Paul Glover

Chief Operating Officer

Chief Geologist

Logistics & Exploration Manager

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