

**AUSTRALIAN BAUXITE LIMITED**

ASX Code: ABX

Update of Progress for the Binjour Project, Queensland

Australian Bauxite Limited (ABx) and its marketing partner, Rawmin Mining and Industries Pvt. Ltd (Rawmin) commenced a review in late May of ABx's bauxite resources around Binjour totalling 28 million tonnes ¹. Binjour is located 115kms from the export port of Bundaberg which is similar scale to the port used by Rawmin in India to export its bauxite to long-term customers. ABx and Rawmin both produce metallurgically similar, compatible bauxite.

Rawmin has advised that it wishes to take the review to the next stage of assessment, including:

1. Progressing further discussions with local councils and government business development officers, building on the initial meetings in Bundaberg and Gayndah on 30th and 31st May which were encouraging and welcoming;
2. Determining the simplest logistics solutions for an early start-up of shipments;
3. Assessing the most suitable product specifications for the deposits and customers;
4. Providing marketing samples to pre-qualified customers;
5. Commencement of economic assessments; and
6. Discussions with its banks concerning project finance.

Granted Mining Lease Included

These assessments will include long-term Mining Lease ML80126 at Toondoon, 25km south of Mundubbera and 155 km from Bundaberg Port in central Queensland (see Figure 1) which has an Inferred Resource of 3.5 Million tonnes of bauxite ¹, with potential for extensions into the surrounding ground. Production from this mining lease may commence as a precursor for the larger Binjour Project during its approval processes.

Prospective Ground Secured

Since December 2012, ABx has obtained an Exploration Permit EPM 25146 which has secured the mineral rights on the ground surrounding the Toondoon Mining Lease.

Bauxite Discovery at Brovinia Included

The large extent of this bauxite province was demonstrated by ABx's discovery of very high grade outcrops of bauxite at Brovinia further south of Toondoon as announced on 7th September 2015 – see Figure 1 for locations.

Local Support

Rawmin's visit was greatly assisted by productive meetings with local and state government authorities in Bundaberg, Bundaberg Port and North Burnett Regional Council in Gayndah.

ABx Chief Operating Officer, Leon Hawker said; "The greater Binjour project has potential to produce metallurgical grade bauxite during the dry season which is the same time of year that monsoons close the ports in western India that Rawmin uses to export its bauxite. Coordination between Rawmin and ABx could supply good quality trihydrate gibbsite bauxite to an alumina refinery all year round."

"Rawmin will lead this project assessment for the rest of 2017 whilst ABx staff focus on making shipments of cement-grade bauxite from its Tasmanian operations."

¹ see resources details in Appendix

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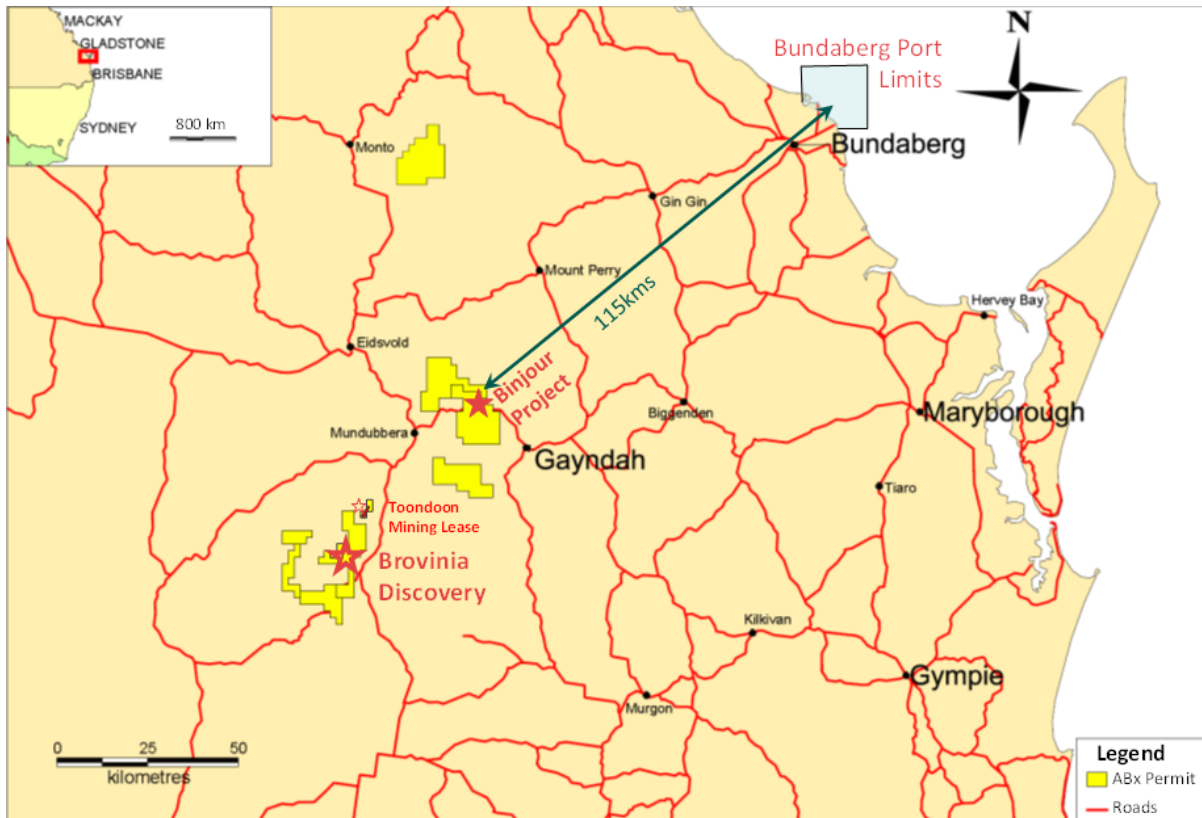


Figure 1 ABx Bauxite Tenements in Central Queensland, including ML80126 & the large Binjour Project

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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 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

Chairman

Ian Levy

CEO & MD

Ken Boundy

Director

Henry Kinstlinger

Company Secretary

Officers

Leon Hawker

Chief Operating Officer

Jacob Rebek

Chief Geologist

Paul Glover

Logistics & Exploration Manager

APPENDIX

Resources at Binjour

See ASX Release dated 29/06/2012

DSO Bauxite Resources			Sieved at 0.26mm										Over-burden m	Internal Waste m
Resource category	Tonnes millions	Bauxite Thickness	Al ₂ O ₃ Avl % 143°	Rx SiO ₂ %	Avl/Rx Ratio	Al ₂ O ₃ %	SiO ₂ %	A/S Ratio	Fe ₂ O ₃ %	TiO ₂ %	LOI %	Yield %		
Inferred	9.0	3.9 m	38.0	3.8	10.0	43.7	4.5	9.7	22.4	3.6	24.2	59%	8.2 m	0.3 m
Indicated	15.5	5.3 m	39.5	2.6	15.1	44.2	3.1	14.5	23.4	3.7	24.9	62%	9.4 m	0.3 m
TOTAL	24.5	4.8 m	39.0	3.0	12.8	44.1	3.6	12.3	23.1	3.7	24.6	61%	8.9 m	0.3 m

Cut-off grades applied: Minimum 30% available Al₂O₃, 2m thickness & 3 data points in 350m search ellipse for each 25m x 25m block. Leach conditions to measure available alumina "Al₂O₃ Avl" & reactive silica "Rx SiO₂" is 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Rx" ratio is (Al₂O₃ Avl)/(Rx SiO₂) and "A/S" ratio is Al₂O₃/SiO₂. Values above 10 are excellent. Tonnage is for bauxite in-situ. Yield is for screening all samples at 0.26mm. The significant tonnages requiring no upgrade will have 100% yield. Estimate excludes very large tonnages of bauxite containing washable silica gel.

Summary of Maiden Bauxite Resources, Toondoon Mining Lease ML80126

See ASX Release dated 03/12/2012

Cut-off 25% Al ₂ O ₃ Avl			Sieved at 0.26mm										Over-burden m	Internal Waste m
Resource category	Tonnes millions	Bauxite Thickness	Al ₂ O ₃ Avl % 143°	Rx SiO ₂ %	Avl/Rx Ratio	Al ₂ O ₃ %	SiO ₂ %	A/S Ratio	Fe ₂ O ₃ %	TiO ₂ %	LOI %	Yield %		
Inferred	3.5 Mt	4.9 m	32.8	5.2	6.3	40.2	7.2	5.6	25.3	4.9	21.7	67%	1.5 m	0 m
TOTAL	3.5 Mt	4.9 m	32.8	5.2	6.3	40.2	7.2	5.6	25.3	4.9	21.7	67%	1.5 m	0 m

Cut-off grades applied: Minimum 25% available Al₂O₃ Avl, 2m thickness, 200m search ellipse. Leach conditions to measure available alumina "Al₂O₃ Avl" & reactive silica "Rx SiO₂" is 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Rx" ratio is (Al₂O₃ Avl)/(Rx SiO₂) and "A/S" ratio is Al₂O₃/SiO₂. Avl/Rx values above 6 are good. Tonnage is for bauxite in-situ. Yield is for screening all samples at 0.26mm. The significant tonnages requiring no upgrade will have 100% yield.

The information above regarding the Mineral Resources are extracts from two reports released to the ASX:

1. "Binjour Bauxite Resource Upgrade to 24.5 million tonnes" announced on 29th June 2012; and
2. "3.5 Million Tonnes Maiden Resource on Granted Mining Lease Near Bundaberg Port, Central QLD" announced on 3rd December 2012

and are available to view on <http://www.australianbauxite.com.au/Media.htm>.

The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Qualifying Statement

The information in this report that relates to Exploration Information is 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 Mr Levy is a director 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 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code). Mr Rebek and Mr Levy have consented in writing to the inclusion in the report of the Exploration Information in the form and context in which it appears.