



AUSTRALIAN BAUXITE LIMITED

ASX: ABZ

ASX ANNOUNCEMENT

14 February 2013

Market Update

Australian Bauxite Limited (**ABx**) (ASX: ABZ) advises that it is undertaking a fundraising in the order of some \$2.5 million to sophisticated, eligible and/or professional investors, as defined under Section 708 of the Corporations Act.

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

For further information please contact:

Investor Relations, Henry Kinstlinger
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About Australian Bauxite Limited: ASX Code ABZ

Australian Bauxite Limited (**ABx**) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 41 bauxite tenements in Queensland, NSW and Tasmania covering 7,537 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.

The company's bauxite is high quality 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 the company's first drilling prospect in Inverell, northern NSW, a resource of 38.0 million tonnes¹ has been reported from drilling 35% to 40% of the area prospective for bauxite and a resource of 37.9 million tonnes² of bauxite has been reported at the Taralga project in southern NSW. A 6.0 million tonnes³ maiden resource was declared at Guyra. A 24.5 million tonnes⁴ resource has been declared at the Binjour Plateau in central QLD, confirming that ABx has discovered a significant bauxite deposit including some bauxite of outstandingly high quality. A 5.7 million tonnes⁵ maiden resource has been declared for Tasmania. 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.

^{1 2 3 4 5} See JORC References on page 2

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ASX: ABZ



ABx Project Locations

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. 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

AUSTRALIAN BAUXITE LIMITED

February 2013

Developing Eastern Australian Bauxite Projects

Bauxite is the ore for aluminium and alumina

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Aluminium: the most modern metal

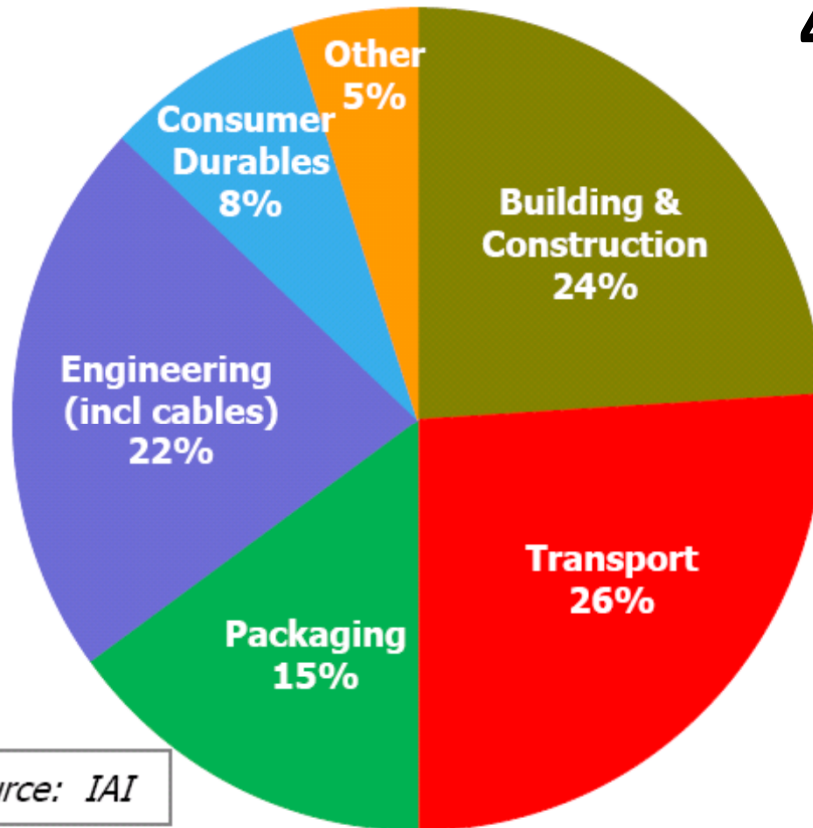


Figure: Hydro

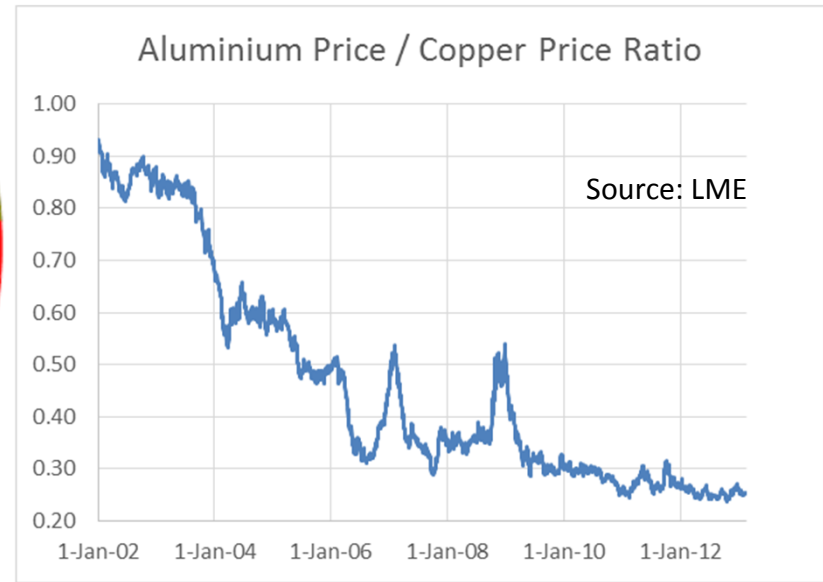


& most recycled metal

Aluminium market: 45% construction 45% consumption



Source: IAI

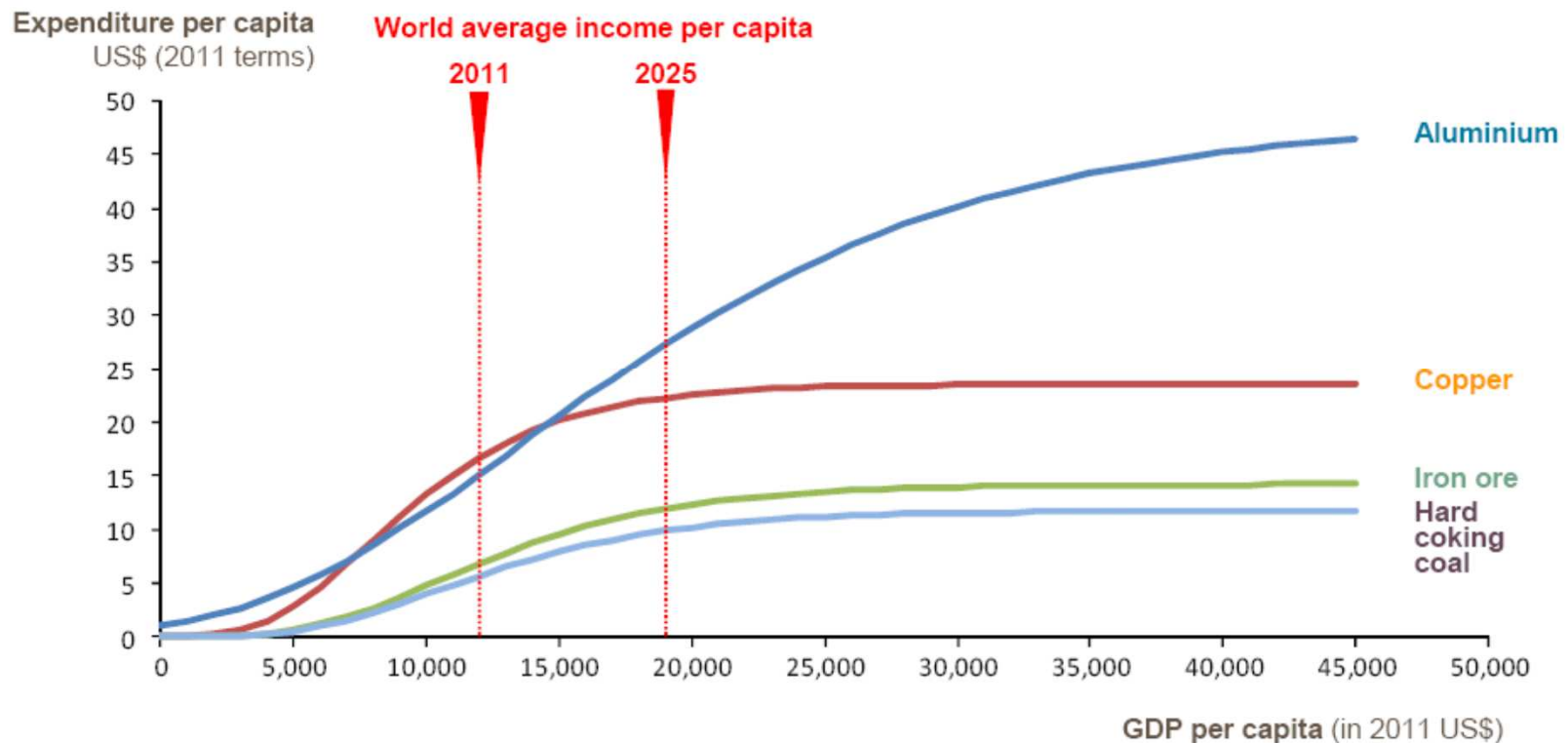


Aluminium cost advantage over copper increasing

Fastest growing metal consumption
Bauxite is strongest growing seaborne traded mineral commodity

Aluminium grows late in economic cycle - after iron ore, coking coal & copper

CONSUMPTION OF ALUMINIUM CONTINUES TO RISE AFTER AN ECONOMY'S DEVELOPMENT PHASE



Source: Rio Tinto

Market Fundamentals: New Industry Structure

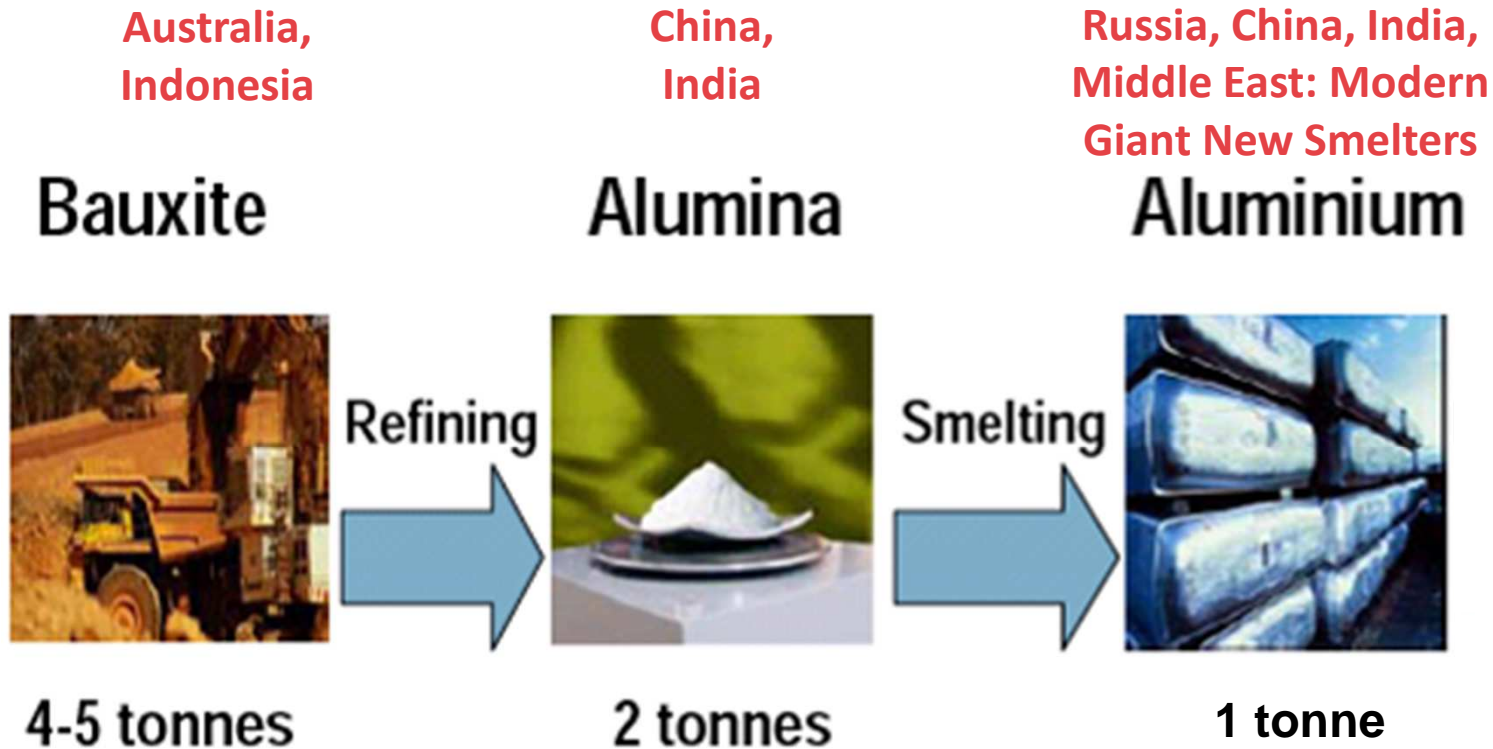
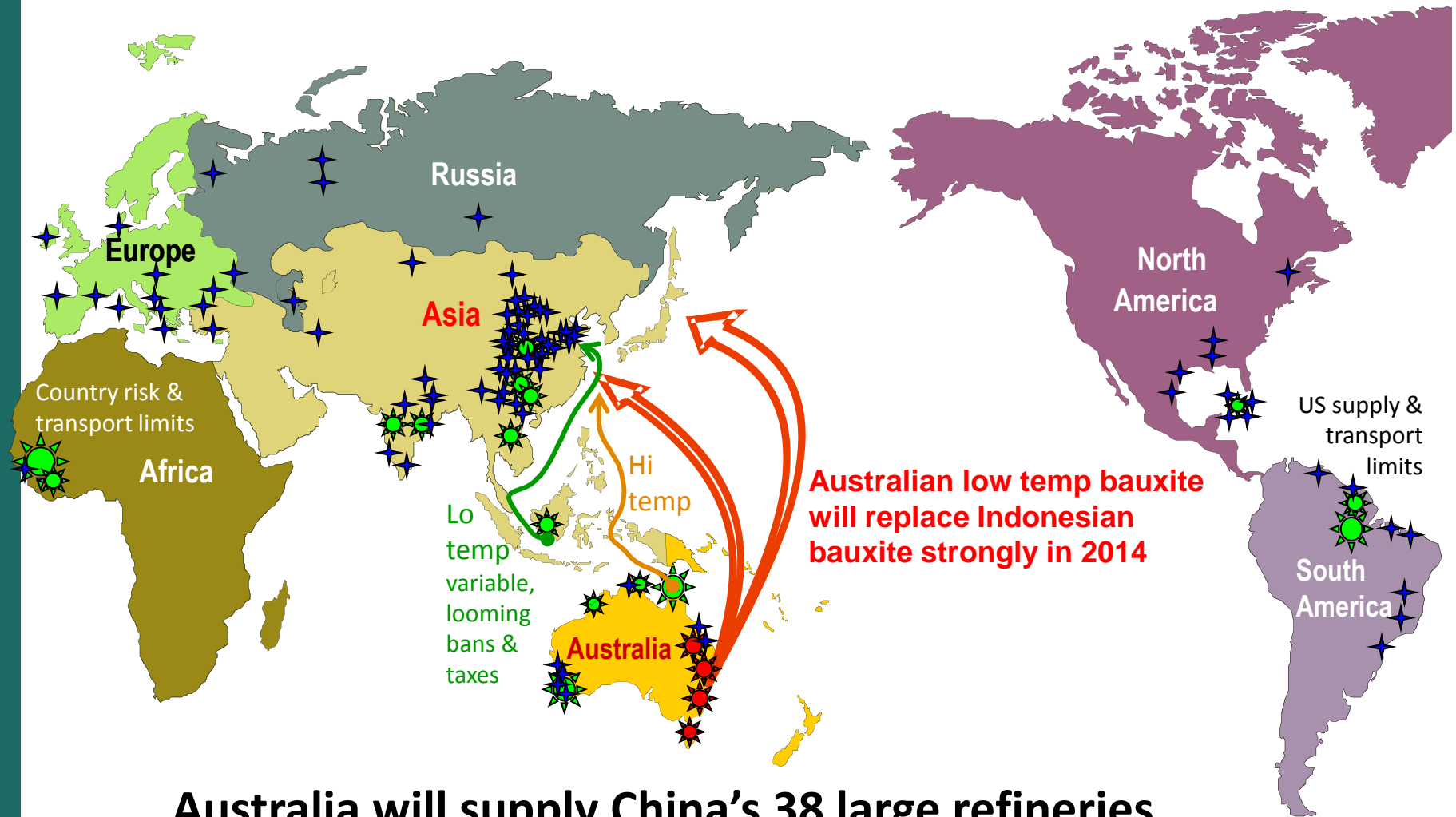





Figure:
Alumina
Limited

- Aluminium is fastest growing metal consumption
 - Oversupply as new smelters compete for market share
 - China's bauxites declining; Indonesian bans/taxes tightening
- => Stronger demand Oz bauxite seaborne trade to China**

China-Australia Trade

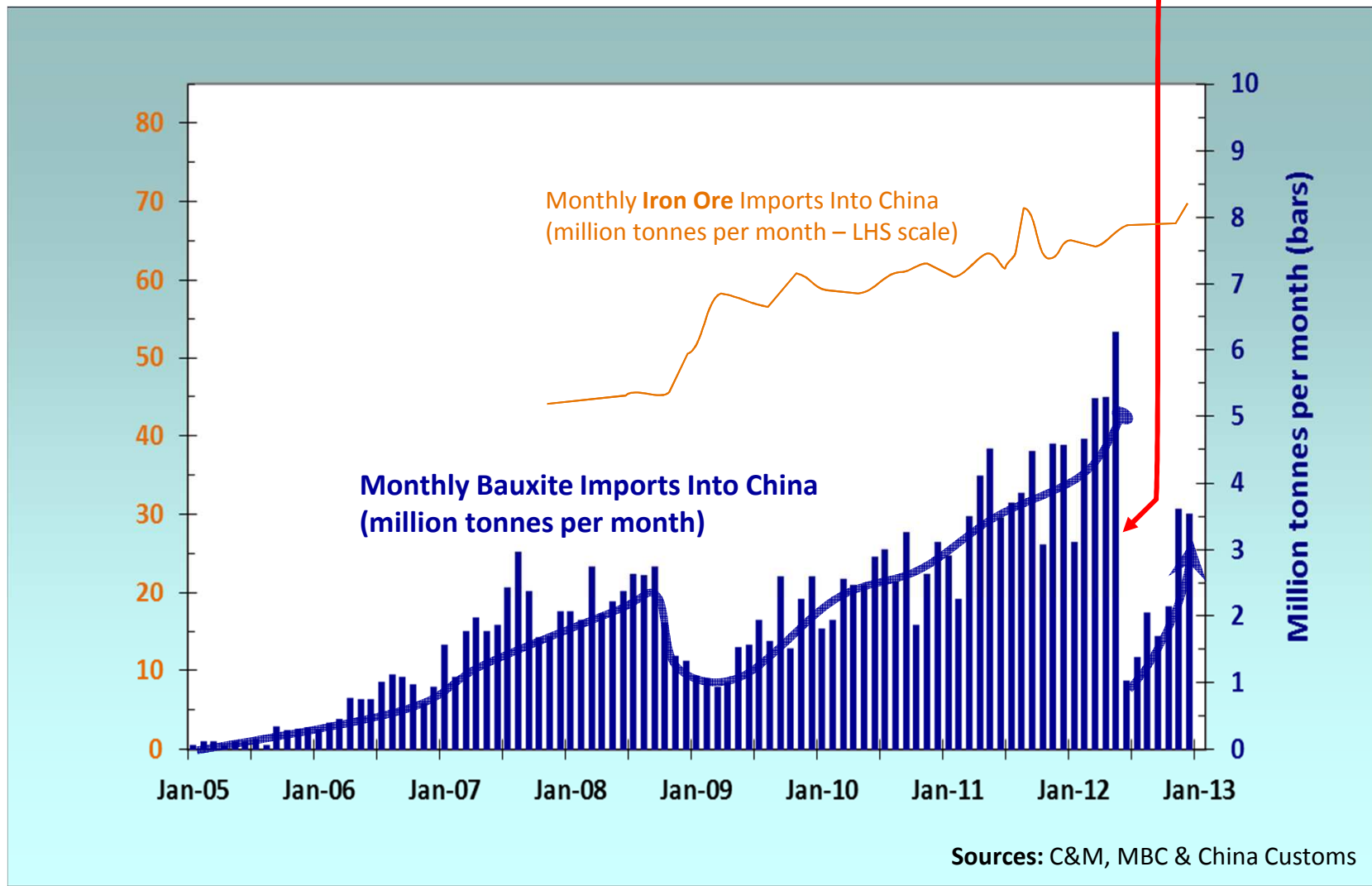


**Australia will supply China's 38 large refineries
Indonesian reductions, especially from 2014**

-  ABZ bauxite deposits
-  Other bauxite deposits
-  Alumina Refineries

Strong Chinese Bauxite Imports

Indonesian bans & 20% taxes began 9 May 2012



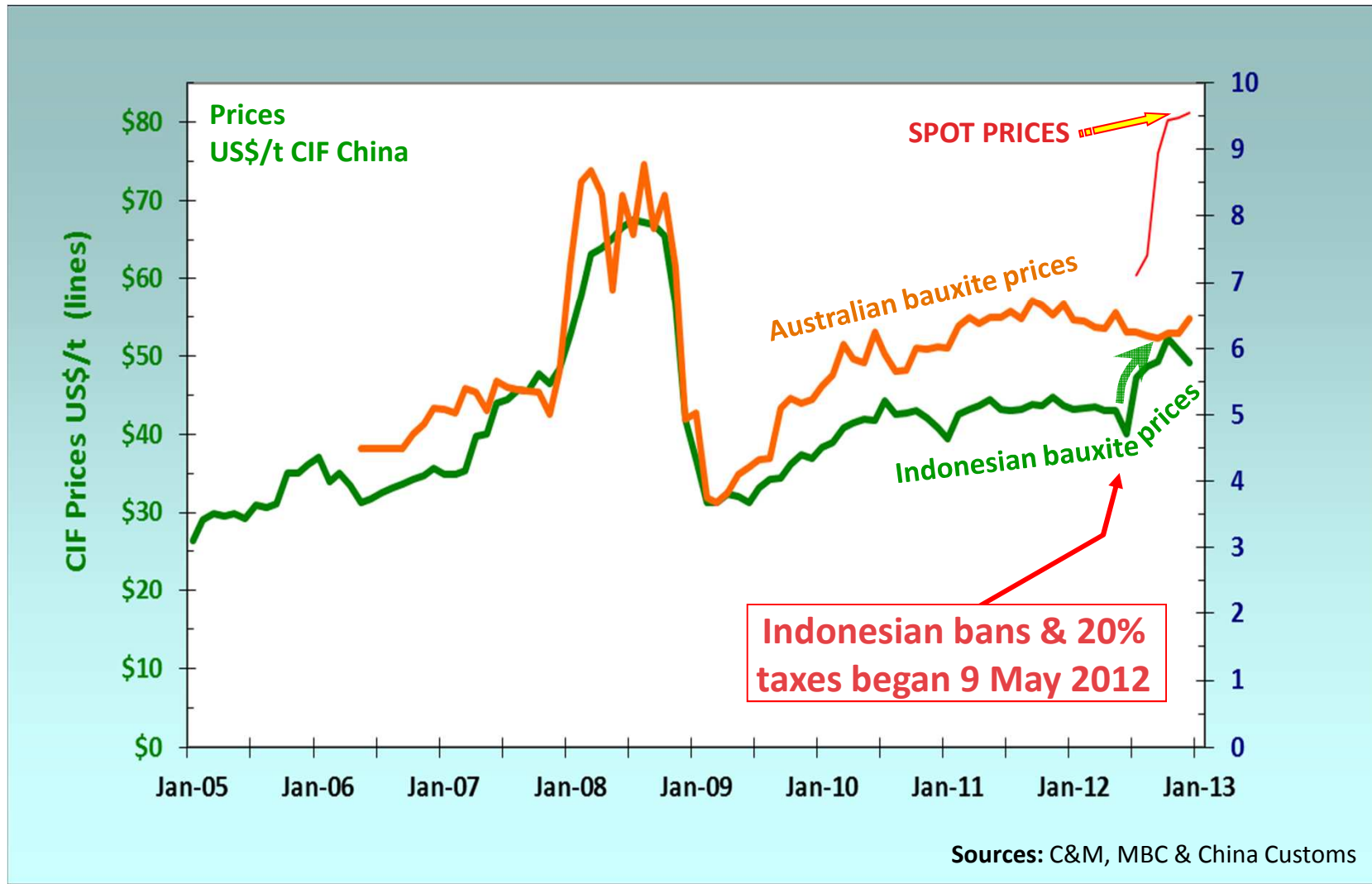
Indonesian supply will reduce & prices increase a further 30% after 2014

AUSTRALIA'S & ABZ'S OPPORTUNITY IS NOW



AUSTRALIAN BAUXITE LIMITED
ASX Code ABZ

22% Bauxite Price Rise after May 2012



Indonesian supply will reduce & prices increase a further 30% after 2014

AUSTRALIA'S & ABZ'S OPPORTUNITY IS NOW



AUSTRALIAN **BAUXITE** LIMITED
ASX Code ABZ

Australia Bauxite Limited Exploration

2006 - 2009

- Chief Geologist Jacob Rebek discovered 80 bauxite deposits
- Applied 3 selection principles:
 1. good quality bauxite
 2. proximity to infrastructure connected to export ports, &
 3. free of socio-environmental or native title land constraints.
- Only 17 deposits were selected for drilling

Today

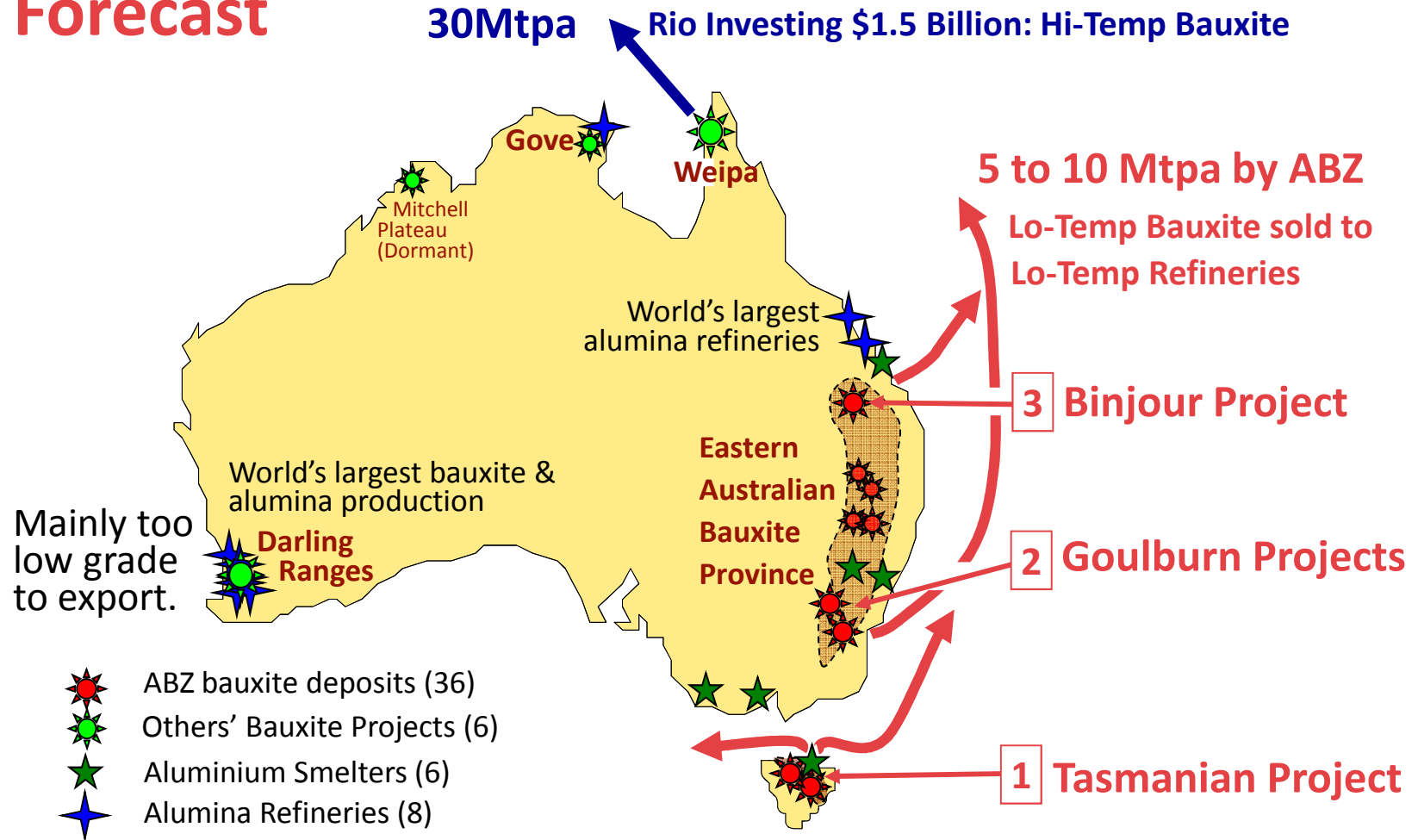
- 7 Deposits appear to be economically viable
- **3 Deposits** targeted for early-development

ABZ now controls the Eastern Australian Bauxite Province:

1. 41 bauxite leases in QLD, NSW & Tasmania covering 7,537 km²
2. All leases 100% owned & free of processing obligations & free of 3rd party royalties

Australia Increasing Bauxite Exports

Forecast



Rio will export high temperature bauxite to China.

ABZ will supply sweetener, low temperature bauxite

Costs & Timetable For Initial Projects

<u>Project</u>	<u>Date</u>	<u>Tonnes pa</u>
<ul style="list-style-type: none"> - Tasmania 	2014 @0.7-1.5Mtpa	
<ul style="list-style-type: none"> Capex 	A\$10 million	
<ul style="list-style-type: none"> Opex 	A\$27 / t FOB	
<ul style="list-style-type: none"> - Goulburn Sth 	2015 @ 1-2Mtpa	
<ul style="list-style-type: none"> Capex 	A\$20 million	
<ul style="list-style-type: none"> Opex 	A\$30 / t FOB	
<ul style="list-style-type: none"> - Goulburn Nth 	2017 @ 2-3Mtpa	
<ul style="list-style-type: none"> Capex 	A\$90 million	
<ul style="list-style-type: none"> Opex 	A\$37 / t FOB	
<ul style="list-style-type: none"> - Binjour QLD 	2018 @ 1-5Mtpa	

Also: Toondoon granted, 25 year Mining Lease near Binjour



Corporate Details

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

Shares	107.2 million
Options	3.7 million
Market Cap (\$0.30)	\$32.2 million
Cash (31 Dec'12)	\$2.02 million = 1yr budget
Share range	\$0.26 to \$0.84
Avg Daily Volume	62,000

Major Shareholders Shares %

Hudson Resources	47.7 million	44.5%
State One Capital	7.2 million	6.7%
Soul Pattinson	3.7 million	3.5%
Top 20 Holders	74.9 million	69.9%

Shareholders 993

ABZ Shares Monthly Since 24Dec'09 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

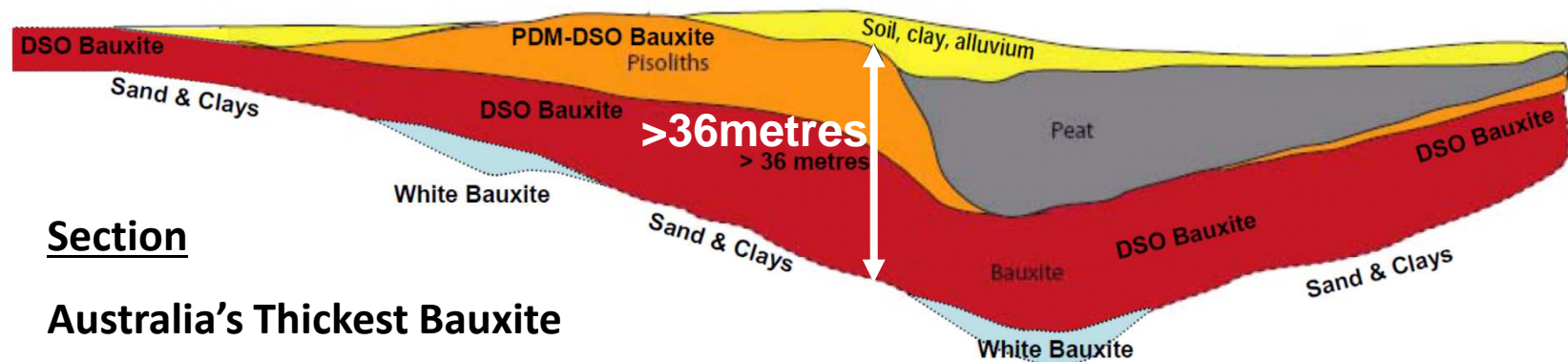
1. Past Australian Treasurer and Finance Minister

2. Chief Geologist Rebek is ex CRA (Rio) Chief Geo. 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 Million tonnes now. +200Mt target
- Surface, easy mined, thickest bauxite in Australia
- Low-temperature, gibbsite bauxite, low silica, boehmite-free + 42% Al₂O₃ 3% SiO₂ & 23% LOI



Good Logistics



Bell Bay Tasmania



Heavy Rail to Deepwater Port Berths at Port Kembla

Goulburn NSW



Port Kembla NSW

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

Simple Start-Up Projects in Tasmania & Goulburn South



Bell Bay Bulk Port



AUSTRALIAN **BAUXITE** LIMITED
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Simple Start-Up Projects in Tasmania & Goulburn South



Drilling in scrub



Jacob Rebek in replanted blue gums



High Grade Bauxite at surface



Bauxite at surface



Drilling in plantation trees



Bauxite at surface

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.



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Good Landholder Relations



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

We only operate where welcomed.