



AUSTRALIAN BAUXITE LIMITED  
ASX: ABX

#### About Australian Bauxite Limited

ASX Code ABX Web: [www.australianbauxite.com.au](http://www.australianbauxite.com.au)

Australian Bauxite Limited (ABx) has started its first bauxite mine in Tasmania and holds the core of the Eastern Australian Bauxite Province. ABx's 28 bauxite tenements in Queensland, New South Wales & Tasmania exceed 3,000 km<sup>2</sup> and 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 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 & 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.

In Tasmania, at Bald Hill, the Company's first bauxite mine commenced operations on schedule on 9 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 emerging as 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 / Officers

|                   |                         |
|-------------------|-------------------------|
| Paul Lennon       | Chairman                |
| Ian Levy          | CEO & MD                |
| Ken Boundy        | Director                |
| Henry Kinstlinger | Secretary               |
| Leon Hawker       | Chief Operating Officer |
| Rob Williams      | General Manager         |
| Jacob Rebek       | Chief Geologist         |

## QUARTERLY REPORT TO 30 JUNE 2016

Quarterly report & activities statement dated 24 July 2016 for 3 months to 30 June 2016

### PRINCIPAL POINTS

#### Corporate

- Current group available cash plus R&D incentive due is in the order of \$2.9 million
- Annual general meeting held, all resolutions passed
- Approval given by shareholders to issue 662,423 shares to the directors in lieu of cash consideration for their services
- ABx welcomes 100 new shareholders over the last month, bringing the total to 2,794 shareholders.

#### Operations: Bald Hill mine to produce new shipments

- **Strong sales** totalled 40,000 tonnes of cement-grade bauxite stockpiled at Bell Bay port from ABx's Bald Hill mine - the first new bauxite project in Australia for more than 35 years. Sale prices are satisfactorily profitable & commercial in confidence
- **Fertiliser-grade bauxite sales** continued at moderate tonnages
- **New markets are emerging** for both cement-bauxite and metallurgical bauxite for the aluminium industry with its marketing partner, Rawmin Mining Industries
- **R&D by ABx achieves proof of concept** that an all-weather technology (dubbed "TasTech") can produce 3 bauxite product types at good tonnages all year round, namely:
  1. high grade metallurgical-grade gibbsite bauxite exceeding 45% Al<sub>2</sub>O<sub>3</sub> for the aluminium industry
  2. cement-grade bauxite for the production of cement
  3. fertiliser-grade and other bauxite-types.

#### Bauxite Markets

- **Markets for metallurgical bauxite** may have bottomed in May-June 2016. Prices have risen in recent weeks.

#### Assessment of Binjour Bauxite Project, Queensland

- Binjour project, centred on the large Binjour resource, 115km inland from Bundaberg Port in central Queensland. ABx is re-assessing the optimum way to develop this state-significant new bauxite province with potential to become the flagship project for ABx over the next few years.
- A staged development commencing with cement-grade production at 150,000 to 550,000 tonnes per annum, using existing infrastructure appears to be an attractive, low-risk option for the Binjour project.

- Testwork of "TasTech" will be conducted on Binjour bauxite samples in coming months
- Discussions have begun with companies holding adjacent bauxite-bearing tenements to determine if additional economies of scale can be achieved.

#### Tenement status

- All tenements are in good standing and 100% owned.

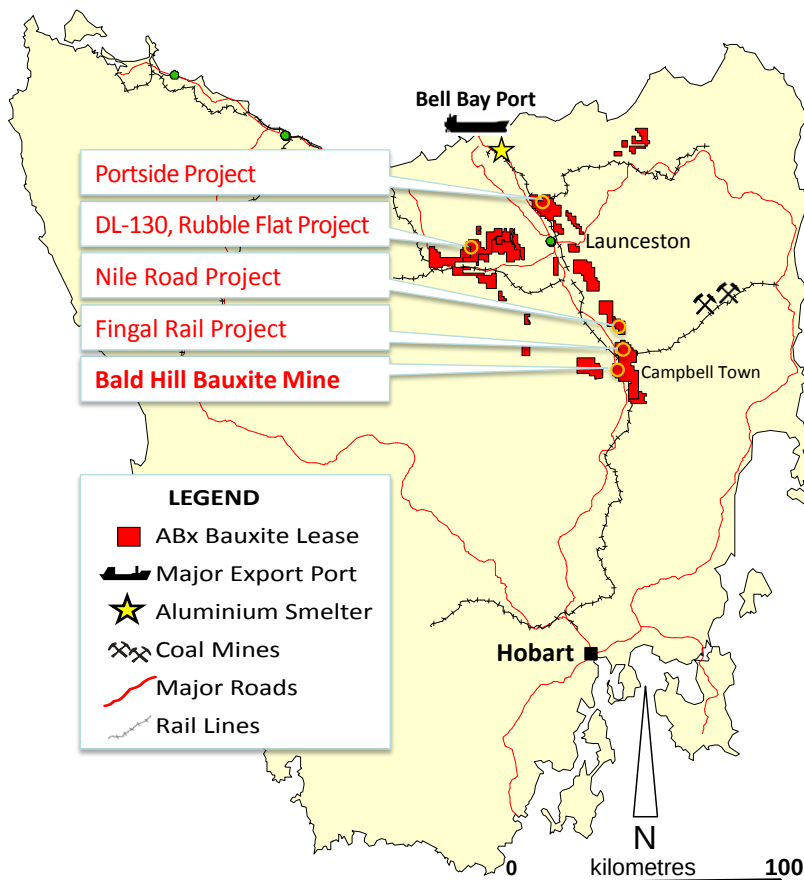


Figure 1: Location of Bald Hill Mine and other bauxite projects in Tasmania & Tasmanian infrastructure

### Port Stockpile Completely Sold. Mine operations to recommence for new shipments

Following sale of the entire 40,000 tonne stockpile of bauxite from Bell Bay port, ABx is preparing to reopen the Bald Hill Bauxite Project in August 2016. Upon closing of contracts, ABx and its contractors will assemble a bauxite cargo for shipping to a new customer that has satisfactorily tested the ABx product.

ABx is in discussions with several repeat-business customers that will underpin opening new mines.



Figures 2 & 3: Bench mining & dry-screening by Stornoway Contractors

### ABx bauxite is proven ideal for handling, transport and stockpiling

ABx bauxite is a dust-free aggregate, ideal for road, rail and sea transport and is stable in stockpiles. ABx bauxite is rigorous processing by Stornoway contractors at Bald Hill mine, carefully transported pit-to-port by TasRail and well-managed at Bell Bay Port by QUBE Ports. Careful handling, combined with excellent chemistry makes ABx bauxite ideal for a range of customers and has achieved repeat business from a major cement company and a major fertiliser manufacturer.



Loading bauxite into B-Double Trucks



Loading onto rail wagons

Figures 4, 5 & 6  
(left)

TasRail transport  
operations have run  
seamlessly, pit to port



Bauxite Train to Bell Bay Port

Figure 7 (below)

Bell Bay Port of Launceston  
can handle ships up to 65,000  
tonnes. Loading by QUBE Ports  
at 10,000 tonnes per day



Shiploading at Bell Bay

### **TasTech Technology can increase revenue & further reduce market risk**

The core objective of TasTech is to extract 3 constituent bauxite types from Tasmanian bauxite:

1. High grade, ultra-cleaned metallurgical-grade bauxite for the aluminium industry;
2. Cement-grade bauxite for the manufacture of certified, high specification cement; and,
3. Fertiliser-grade bauxite for the fertiliser industry.

The technology involves 3 steps:

1. A specific mining process to pre-prepare the broken bauxite ore for TasTech processing;
2. During a simple, specific screening and handling process, the bauxite naturally breaks into lumps that each have their own separate chemistry and physical properties;
3. Lumps are separated by low-cost physical processes into the 3 separate bauxite types listed above.

### **Proof-of-Concept Achieved**

Table 1 and Figure 8 shows the natural grouping of lump qualities after TasTech technology is applied under ideal conditions. This recent fundamental testwork is proof of concept but operational practicalities and customer requirements will change product specifications.



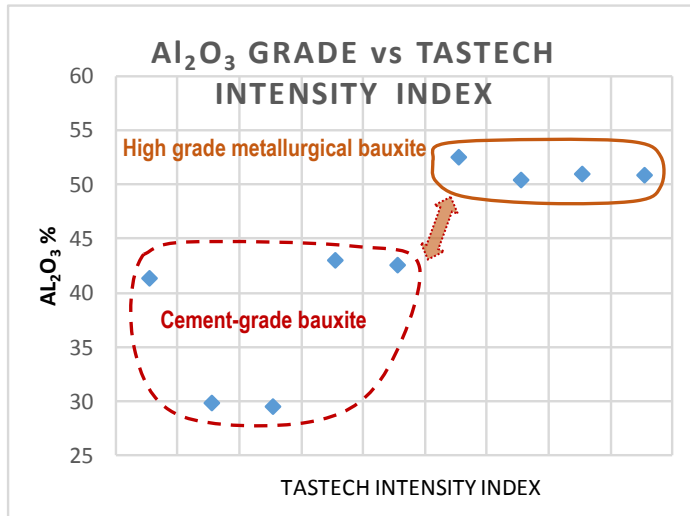


Figure 8 (left):

**Recent TasTech Fundamental Testwork Results**

Plot of bauxite Al<sub>2</sub>O<sub>3</sub> grades versus TasTech Intensity Index which is a measure of the degree of processing via TasTech technology under ideal conditions.

The natural separation into High Grade Metallurgical Bauxite and Cement Grade Bauxite products is clearly evident in all tests conducted to date.

**Table 1: Grade separation achieved under ideal conditions**

| Bauxite Product Type | Al <sub>2</sub> O <sub>3</sub> Grades % | SiO <sub>2</sub> % | Fe <sub>2</sub> O <sub>3</sub> % | TiO <sub>2</sub> % |
|----------------------|-----------------------------------------|--------------------|----------------------------------|--------------------|
| Metallurgical Grade  | 51.13                                   | 2.10               | 15.15                            | 2.23               |
| Cement-Grade         | 37.20                                   | 1.78*              | 34.98                            | 2.83               |

Table 1 (left) shows the main product grades of the two natural product groups achieved by recent fundamental testwork conducted under ideal conditions.

Operational practicalities and customer requirements will change product specifications.

\* Note: SiO<sub>2</sub> is increased for some cement customers

Figures 9 and 10 summarise the process and results under operational conditions.

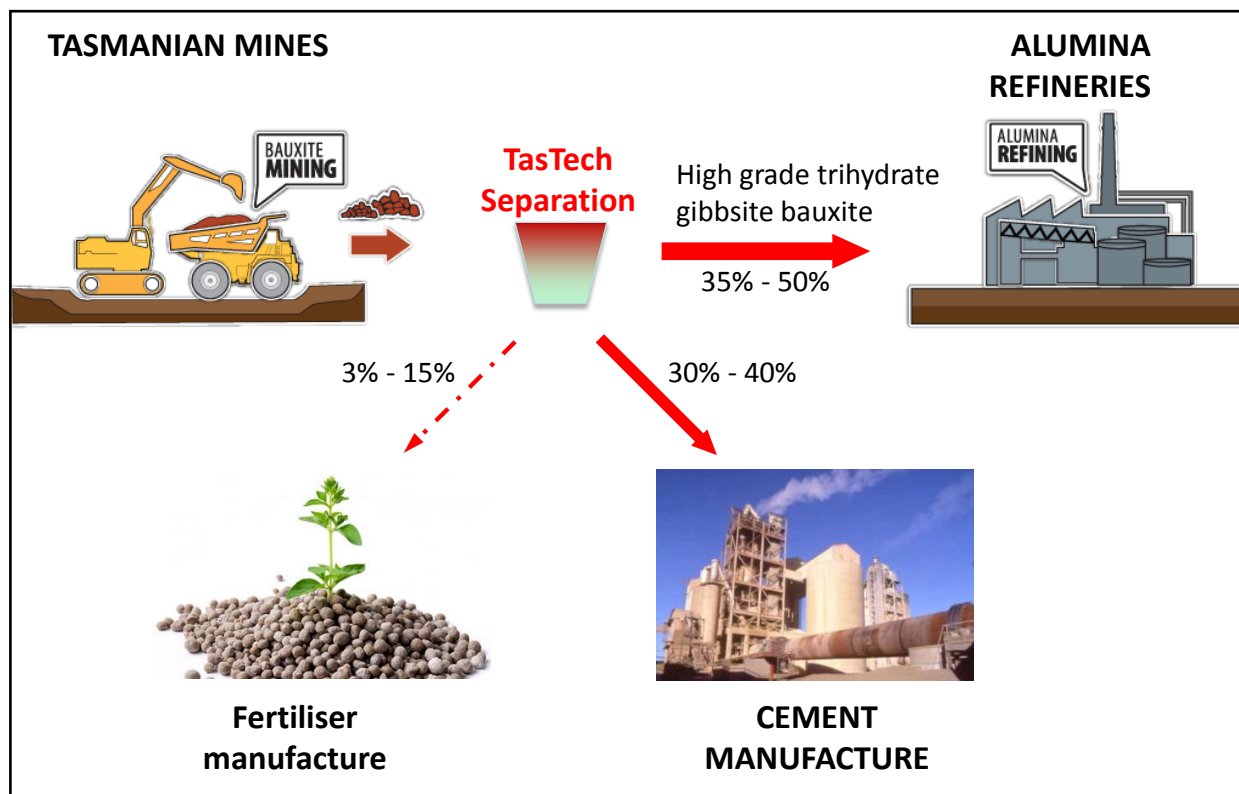


Figure 9: TasTech's role in ABx marketing strategy.

TasTech is a low-cost, 3-stage process that separates Tasmanian bauxite into its 3 constituent product-types:

- (1) High grade metallurgical bauxite;
- (2) Cement-grade bauxite and
- (3) Fertiliser-grade bauxite.

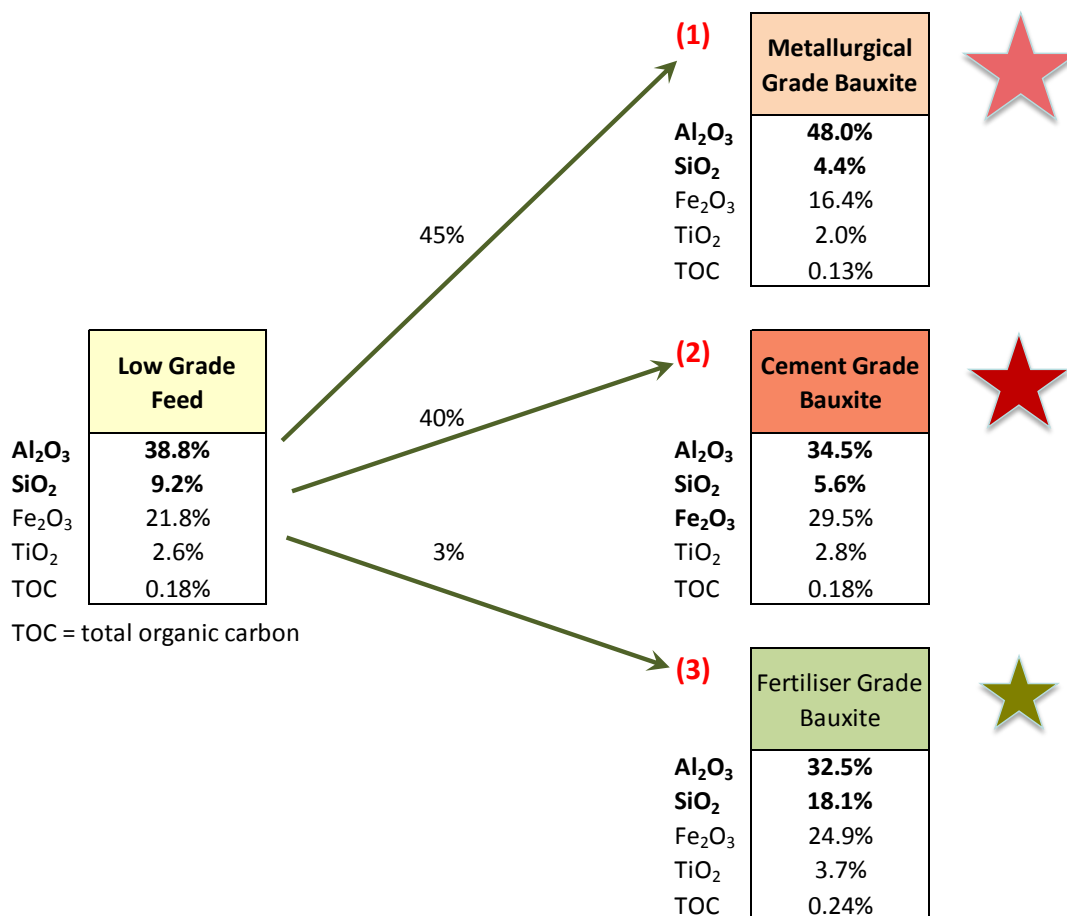


Figure 10: Batch-test results from TasTech separation of Bald Hill bauxite into its 3 constituent product-types, namely:

1. High grade, ultra-clean metallurgical-grade bauxite for the aluminium industry;
2. Cement-grade bauxite for the manufacture of certified, high specification cement; and,
3. Fertiliser-grade bauxite for the fertiliser industry.

TasTech can adjust settings to produce certified bauxite products to suit the customers' specifications.

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**Market summary: China bauxite import prices bottom in May-June 2016? Buying interest and prices increasing in July.**

- Tonnes down 9% to 3.51Mt, 51% lower than December 2015 to levels lower than consumption rate.
- Malaysian tonnages 93% lower than December 2015 at 0.23Mt
- Guinean Bauxite keeps flooding into China: 0.99Mt at a remarkably low US\$55.84/t CIF price
- Indian Bauxite supply virtually ceased as Chinese refineries buy Guinean bauxite instead
- Average price CIF China stable at US\$48.49/t, **trending upwards in July** as buying interest restarts?

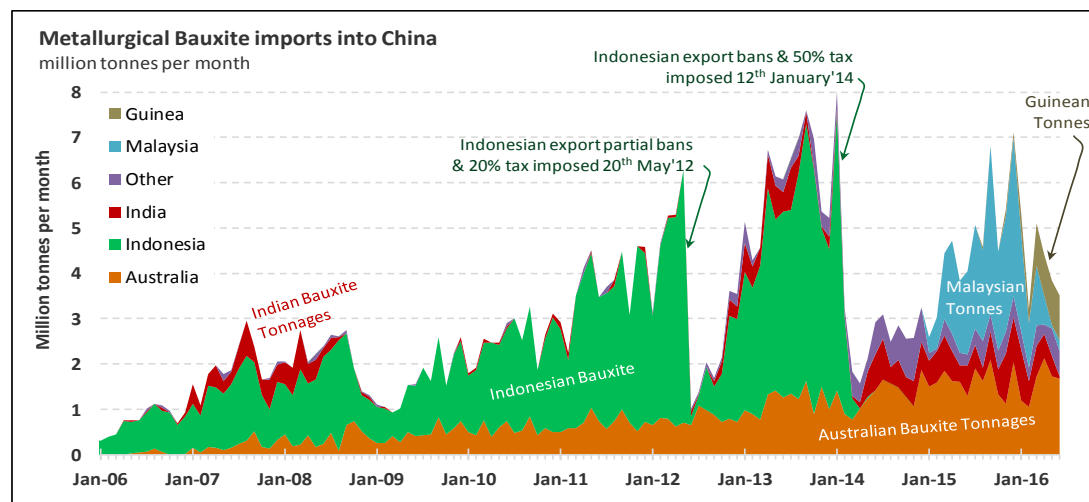


Figure 11  
(left)

**Australian** bauxite supply is dominating at 1.7Mt or 48% of the total, mainly from Rio's Weipa and Gove mines but also a trial shipment by Alcoa from its WA mines. Prices continue falling as market share rises.

**Indian** bauxite tonnes are 95% below December's, at 53,000 tonnes (one shipload) of low-grade bauxite sold at Malaysian prices, US\$44.11/t. Indian-type gibbsite-trihydrate bauxite is being replaced by Guinea bauxite whilst it is cheap and shipping costs are low. Indian governments want Indian bauxite processed in India.

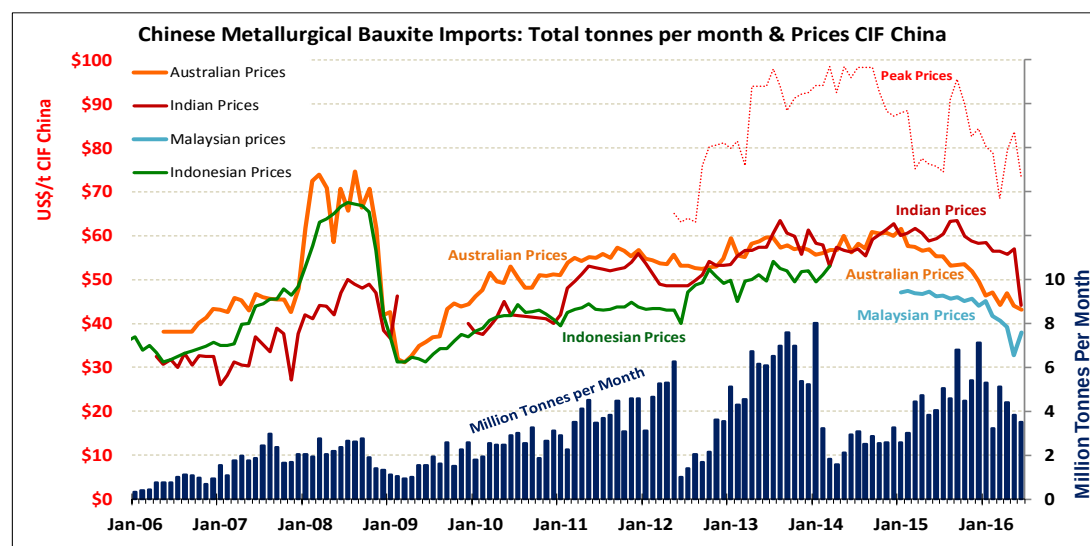


Figure 12  
(left)

**Bauxite from Guinea** in West Africa is flooding into China at 0.992Mt in June at US\$55.84/t because:

1. Weiqiao opened a mine & port in Guinea, planning to import 15Mt pa from it, which will be a challenge;
2. A very large take-or-pay sales contract for Guinean bauxite into a recently closed refinery in USA is being dumped back onto the market.

Unreliable road transport is constraining supply from Guinea and other countries in the wet season.

**Malaysian bauxite** supply fell substantially to only 228,000 tonnes at a low price of US\$37.98/t CIF China.

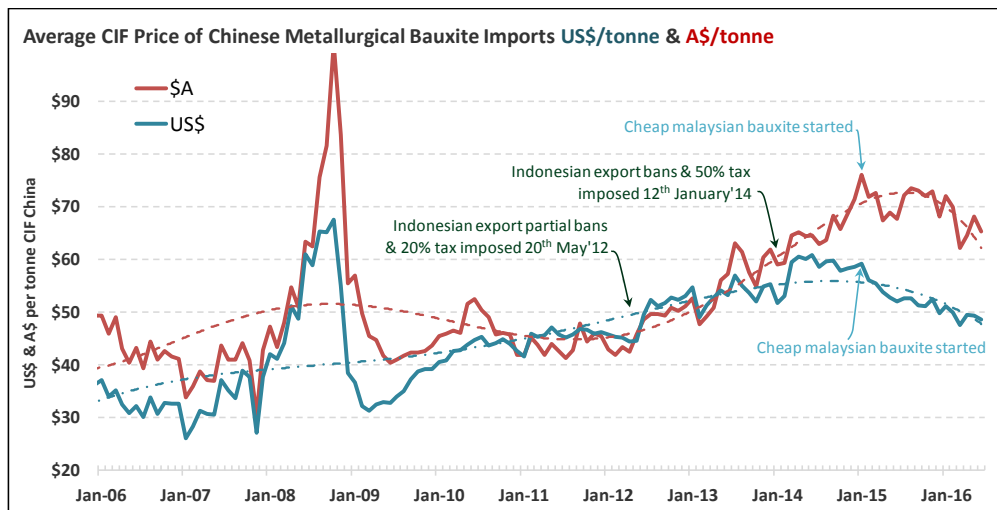


Figure 13 (left)

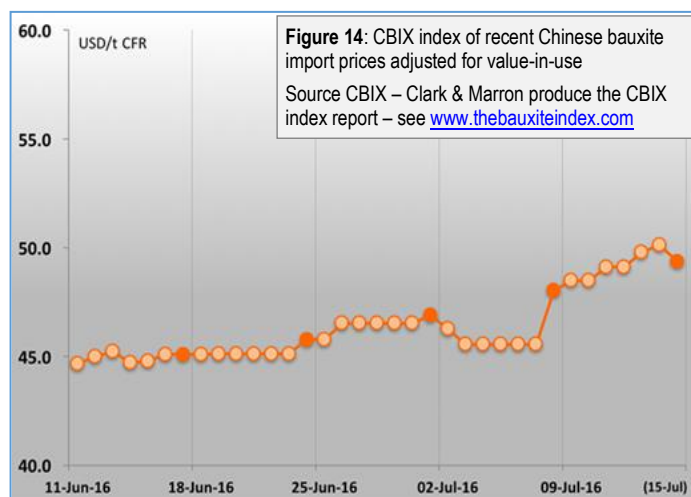
Average prices for metallurgical bauxite 2006 to 30 June 2016 in US\$ & A\$

### Commentary on Market Situation

Cheap Malaysian bauxite from unregulated mines flooded the Chinese market in 2015. Malaysian bauxite bans in January 2016 slowed supply but as Malaysian supply declines, Indonesian supply may recommence after being banned for 2.5 years when Indonesia encouraged Chinese development of Indonesian alumina refineries.

As shipping costs rise and as dumping of bauxite ceases, supply from Guinea will stabilise and China will probably return to its reliable suppliers in the Indo-Pacific basin.

**Buying Interest and Prices Have Risen:** ABx's "monthly buying index" has increased from 2 requests for bauxite in April to 6 requests for bauxite in May and 10 requests in June.



**Buying interest has remained high** in July and the CBIX leading indicator shows the **first rise in prices for 18 months** during the first half of June – see CBIX Average Chinese imported bauxite prices since 11 June 2016, expressed as US\$/dry metric tonne CFR China ports, as adjusted for value-in-use qualities (see Figure 14, left).

However, despite the apparent firming of prices, the net prices after all costs being offered for metallurgical bauxite are not especially attractive to expand new mines.

These positive market indicators for metallurgical may be temporary due to wet-season delays in Guinea, Malaysia and India

### ABx Strategy

ABx will continue monitoring markets and plans to enter the metallurgical bauxite market when bauxite prices increase to profitable levels, especially when northern ports are closed by wet seasons.

In the meantime, ABx will grow its business by supplying cement-grade bauxite for making high specification cement and supplying fertiliser-grade bauxite for making single superphosphate fertiliser.

ABx is accelerating the development of TasTech technology which allows ABx to separate Tasmanian bauxite into 3 product-types at good tonnages all year round, namely:

1. high grade metallurgical-grade gibbsite bauxite exceeding 45%  $\text{Al}_2\text{O}_3$  for the aluminium industry
2. cement-grade bauxite for the production of cement
3. fertiliser-grade and other bauxite-types.

**Gibbsite-trihydrate bauxite demand is most critical – Technical Explanations**

Gibbsite-rich trihydrate (THA) bauxites like Indian, Malaysian, Gove, Guinea and ABx bauxite is in strongest demand because it can be processed at “low temperature” around 140°C thus achieving major cost savings. Other bauxite can be “high-temperature” bauxite, often called MHA or monohydrate bauxite that must be processed at above 245°C at higher cost than the low-temperature refineries. Gibbsite is the alumina trihydrate mineral which reacts with caustic soda in refineries at 140°C whilst the MHA-bauxites contain alumina monohydrate minerals boehmite or diasporite which react with caustic soda at much higher temperatures.

ABx can also increase its bauxite value by lowering its content of SiO<sub>2</sub> which consumes caustic soda and has other processing problems. ABx bauxite is “clean” - free of radioactivity, CaO, P<sub>2</sub>O<sub>5</sub> and all deleterious elements.

**Australian Bauxite Limited’s long-term plan** is to ship low temperature, gibbsite metallurgical bauxite with low SiO<sub>2</sub> from its Tasmanian mines and eventually building a very large bauxite project at Binjour in central QLD, 115kms inland from Bundaberg to export exceptionally high quality gibbsite-trihydrate bauxite.

ABx aspires to become one of the largest suppliers of bauxite into China, India, the Middle East and Australia over the next 6 years, specialising in the gibbsite-rich trihydrate bauxite market niche.

ABx’s emergence will help make Australia a reliable supplier of all types of bauxite for the seaborne bauxite trade in the Pacific Basin. ABx will differentiate itself as an all-year round consistent supplier of clean gibbsite trihydrate bauxite that can improve the blend with all other bauxites.

**Medium-Term Marketing Strategy**

Until metallurgical bauxite markets stabilise, ABx will focus on sales of Cement-Grade, Fertiliser-Grade and other non-metallurgical bauxite markets, with an emphasis on customers that require strict Quality Control and assured technical specifications.

ABx’s current cement-grade customer is such a customer but the detailed terms of the sales are commercial-in-confidence. The future tonnage demand remains uncertain but overall, the demand for bauxite cement is growing world-wide – as is the demand for fertiliser-grade bauxite as demand for fertiliser grows in all agricultural areas across Australia and internationally.



## The Binjour Project is taking shape

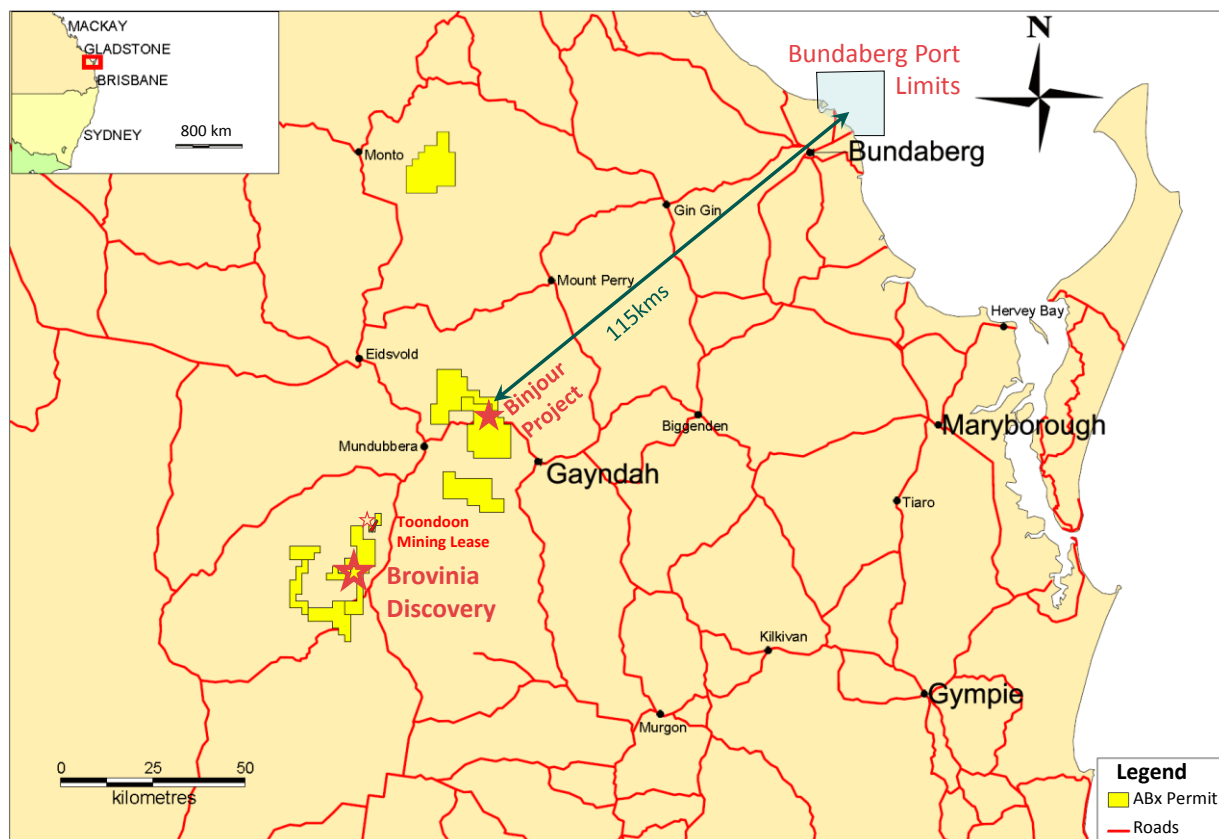


Figure 15: Location of Binjour Project, Brovinia Discovery, Toondoon Mining Lease and Infrastructure, Central QLD

Binjour project area covers 100 kilometres, extending from the large Binjour resource, which is located 115km inland from Bundaberg Port, to the high grade Brovinia bauxite plateau 50 kilometres south of Mundubbera in central Queensland.

## Strategic Reassessment

ABx is re-assessing the optimum way to develop this state-significant new bauxite province with potential to become the flagship project for ABx over the next few years. This reassessment arises from two new developments:

1. The weakening of the metallurgical bauxite market over the last six months; and
2. The strengthening of the demand for non-metallurgical bauxite in other markets, including for bauxite cement, fertiliser and other specialist usage. Margins in these markets are satisfactory and demand is growing quite strongly but from a small base, so that the total tonnage demand is lower than for metallurgical bauxite.

Early assessment results show that resilience against downturns in the metallurgical bauxite market requires production rates exceeding 1.5 million tonnes per annum so as to be a low-cost producer of metallurgical bauxite.

**A staged development commencing with cement-grade** production at 150,000 to 550,000 tonnes per annum, using existing infrastructure appears to be an attractive, low-risk option for the Binjour project.

Discussions have begun with companies holding adjacent bauxite-bearing tenements to determine if additional economies of scale are worthwhile.

### Resource Statement, Definitions and Qualifying Statement

Tabulated below are the Mineral Resources for each ABx Project. The initial ASX disclosure for these Resources is given in the footnotes to the table. Refer to these announcements for full details of resource estimation methodology and attributions.

**Table 1:** ABx JORC Compliant Resource Estimates

| Region                                   | Resource Category | Million Tonnes | Thickness | Al <sub>2</sub> O <sub>3</sub> | SiO <sub>2</sub> | A/S   | Fe <sub>2</sub> O <sub>3</sub> | TiO <sub>2</sub> | LOI  | Al <sub>2</sub> O <sub>3</sub> Avl @ 143°C                                                          | Rx SiO <sub>2</sub> | Avl/Rx | Lab Yield | O'Bur den | Int. Waste |
|------------------------------------------|-------------------|----------------|-----------|--------------------------------|------------------|-------|--------------------------------|------------------|------|-----------------------------------------------------------------------------------------------------|---------------------|--------|-----------|-----------|------------|
|                                          |                   | mt             | m         | %                              | %                | ratio | %                              | %                | %    | %                                                                                                   | %                   | ratio  | %         | m         | m          |
| CAMPBELL TOWN AREA TASMANIA <sup>7</sup> | Inferred          | 1.8            | 3.0       | 42.6                           | 3.5              | 12    | 25.4                           | 3.5              | 24.6 | 36.7                                                                                                | 3.0                 | 12     | 50        | 2.1       | 0.1        |
|                                          | Indicated         | 1.7            | 3.2       | 42.5                           | 3.2              | 14    | 26.4                           | 3.0              | 24.5 | 36.2                                                                                                | 2.8                 | 14     | 55        | 1.8       | 0.1        |
|                                          | Total             | 3.5            | 3.1       | 42.5                           | 3.3              | 13    | 25.9                           | 3.3              | 24.5 | 36.5                                                                                                | 2.9                 | 13     | 52        | 2.0       | 0.1        |
| DL-130 AREA TAS <sup>1</sup>             | Inferred          | 5.7            | 3.8       | 44.1                           | 4.3              | 10    | 22.8                           | 3.1              | 25.0 | 37.6                                                                                                | 3.2                 | 12     | 55        | 1.5       | 0.1        |
|                                          | Total Tas         | 9.2            | 3.5       | 43.5                           | 3.9              | 11    | 24.0                           | 3.2              | 24.8 | 37.2                                                                                                | 3.1                 | 12     | 54        | 1.7       | 0.1        |
| BINJOUR QLD <sup>2</sup>                 | Inferred          | 9.0            | 3.9       | 43.7                           | 4.5              | 10    | 22.4                           | 3.6              | 24.2 | 38.0                                                                                                | 3.8                 | 10     | 59        | 8.2       | 0.3        |
|                                          | DSO Indicated     | 15.5           | 5.3       | 44.2                           | 3.1              | 15    | 23.4                           | 3.7              | 24.9 | 39.5                                                                                                | 2.6                 | 15     | 62        | 9.4       | 0.3        |
|                                          | Total             | 24.5           | 4.8       | 44.1                           | 3.6              | 12    | 23.1                           | 3.7              | 24.6 | 39.0                                                                                                | 3.0                 | 13     | 61        | 8.9       | 0.3        |
| TOONDOON QLD <sup>3</sup>                | Inferred          | 3.5            | 4.9       | 40.2                           | 7.2              | 6     | 25.3                           | 4.9              | 21.7 | 32.8                                                                                                | 5.2                 | 6      | 67        | 1.5       | 0.0        |
| TARALGA S. NSW <sup>4</sup>              | Inferred          | 9.9            | 3.1       | 40.4                           | 5.7              | 7     | 24.6                           | 4.1              | 22.2 | 35.2                                                                                                | 1.9                 | 18     | 54        | 0.1       | 0.2        |
|                                          | Indicated         | 10.2           | 3.7       | 41.3                           | 5.3              | 8     | 25.9                           | 4.0              | 22.9 | 36.1                                                                                                | 1.9                 | 19     | 55        | 0.7       | 0.4        |
|                                          | Total             | 20.1           | 5.6       | 40.8                           | 5.5              | 7     | 25.3                           | 4.0              | 22.6 | 35.7                                                                                                | 1.9                 | 19     | 55        | 0.5       | 0.3        |
| PDM-DSO *                                | Inferred          | 7.6            | 2.5       | 37.0                           | 6.0              | 6     | 38.4                           | 3.5              | 13.3 | 22.1*                                                                                               | 1.3                 | 17     | 72        | 0.2       | 0.1        |
|                                          | Indicated         | 10.3           | 3.1       | 37.6                           | 3.9              | 10    | 40.4                           | 3.7              | 13.5 | 22.4*                                                                                               | 1.1                 | 20     | 71        | 0.7       | 0.4        |
|                                          | Total             | 17.8           | 5.8       | 37.3                           | 4.8              | 8     | 39.6                           | 3.6              | 13.5 | 22.3*                                                                                               | 1.2                 | 18     | 72        | 0.5       | 0.3        |
|                                          | Total Taralga     | 37.9           | 5.7       | 39.2                           | 5.2              | 8     | 32.0                           | 3.8              | 18.3 | 35.4                                                                                                | 1.6                 | 23     | 63        | 0.5       | 0.3        |
| INVERELL N. NSW <sup>5</sup>             | Inferred          | 17.5           | 4.7       | 39.8                           | 4.8              | 8     | 27.7                           | 4.3              | 22.2 | 31.0                                                                                                | 4.2                 | 7      | 61        | 2.3       |            |
|                                          | Indicated         | 20.5           | 4.8       | 40.6                           | 4.7              | 9     | 26.9                           | 4.1              | 22.5 | 32.0                                                                                                | 4.0                 | 8      | 60        | 2.4       |            |
|                                          | Total             | 38.0           | 4.8       | 40.2                           | 4.7              | 9     | 27.3                           | 4.2              | 22.4 | 31.6                                                                                                | 4.1                 | 8      | 61        | 2.4       |            |
| GUYRA N. NSW <sup>6</sup>                | Inferred          | 2.3            | 4.2       | 41.4                           | 3.6              | 12    | 26.2                           | 3.3              | 24.6 | 35.0                                                                                                | 2.8                 | 13     | 56        | 3.4       |            |
|                                          | Indicated         | 3.8            | 5.9       | 43.1                           | 2.6              | 16    | 27.3                           | 3.9              | 24.5 | 37.4                                                                                                | 2.0                 | 18     | 61        | 4.4       |            |
|                                          | Total             | 6.0            | 5.3       | 42.5                           | 3.0              | 14    | 26.9                           | 3.7              | 24.5 | 36.5                                                                                                | 2.3                 | 16     | 59        | 4.0       |            |
| <b>GRAND TOTAL ALL AREAS</b>             |                   | <b>119.1</b>   |           |                                |                  |       |                                |                  |      | * PDM is Al <sub>2</sub> O <sub>3</sub> spinel. Al <sub>2</sub> O <sub>3</sub> Avl at 225°C is >35% |                     |        |           |           |            |

**Explanations:** All resources 100% owned & unencumbered. Resource tonnage estimates are quoted as in-situ, pre mined tonnages. All assaying done at NATA-registered ALS Laboratories, Brisbane. **Chemical definitions:** Leach conditions to measure available alumina "Al<sub>2</sub>O<sub>3</sub> Avl" & reactive silica "Rx SiO<sub>2</sub>" is 1g leached in 10ml of 90gpl NaOH at 143°C for 30 minutes. LOI = loss on ignition at 1000°C. "Avl/Rx" ratio is (Al<sub>2</sub>O<sub>3</sub> Avl)/(Rx SiO<sub>2</sub>) and "A/S" ratio is Al<sub>2</sub>O<sub>3</sub>/SiO<sub>2</sub>. Values above 6 are good, above 10 are excellent. Tonnage is for bauxite in-situ. **Lab Yield** is for drill dust samples screened by ALS lab at 0.26mm. Production yields are not directly related and are typically between 60% and 75%. Tonnages requiring no upgrade will have 100% yield. **Resource estimates exclude** large tonnages of potential extensions, overburden & interburden detrital bauxite and underlying transitional bauxite mineralisation. Production will clarify these materials.

Tabulated Resource numbers have been rounded for reporting purposes. The Company conducts regular reviews of these Resources and Reserve estimates and updates as a result of material changes to input parameters such as geology, drilling data and financial metrics. **Global Mineral Resources declared to 24/03/2015 total 119.1 million tonnes.** Explanatory notes and prior resource statements are summarised as follows:

Avl Al<sub>2</sub>O<sub>3</sub> = available Al<sub>2</sub>O<sub>3</sub> at 143°C Rx = reactive SiO<sub>2</sub> Avl/Rx = available alumina to reactive silica ratio, A/S = alumina/silica ratio, LOI = loss on ignition, OB = overburden, Int W = internal waste, DSO = Direct Shipping Bauxite, PDM = poorly diffracting material (under XRD), Lab Yield = wet screen yield from drill dust  
The information above relates to Mineral Resources previously reported according to the JORC Code (see Competent Person Statement) as follows:

<sup>1</sup> Maiden Tasmania Mineral Resource, 5.7 million tonnes announced on 08/11/2012

<sup>2</sup> Binjour Mineral Resource, 24.5 million tonnes announced on 29/06/2012

<sup>3</sup> QLD Mining Lease 80126 Maiden Resource, 3.5 million tonnes announced on 03/12/2012

<sup>4</sup> Goulburn Taralga Bauxite Resource Increased by 50% to 37.9 million tonnes announced on 31/05/2012

<sup>5</sup> Inverell Mineral Resource update, 38.0 million tonnes announced on 08/05/2012

<sup>6</sup> Guyra Maiden Mineral Resource, 6.0 million tonnes announced on 15/08/2011

<sup>7</sup> Initial resources for 1<sup>st</sup> Tasmanian mine, 3.5 million tonnes announced on 24/03/2015

## Qualifying statements

### General

The information in this report that relate to Exploration Information and Mineral Resources are 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.

### Mainland

The information relating to Mineral Resources on the Mainland 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.

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 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Reserves. Mr Rebek and Mr Levy have consented in writing to the inclusion in this report of the Exploration Information in the form and context in which it appears.

### Tasmania

The information relating to Exploration Information and Mineral Resources in Tasmania has been prepared or updated under the JORC Code 2012.

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. Mr Rebek and Mr Levy have consented in writing to the inclusion in this report of the Exploration Information in the form and context in which it appears.

### Disclaimer Regarding Forward Looking Statements

This ASX announcement (Announcement) contains various forward-looking statements. All statements other than statements of historical fact are forward-looking statements. Forward-looking statements are inherently subject to uncertainties in that they may be affected by a variety of known and unknown risks, variables and factors which could cause actual values or results, performance or achievements to differ materially from the expectations described in such forward-looking statements.

ABx does not give any assurance that the anticipated results, performance or achievements expressed or implied in those forward-looking statements will be achieved.

### Tenement information required under LR 5.3.3.

| Tenement No.           | Location          |
|------------------------|-------------------|
| <b>New South Wales</b> |                   |
| EL 6997                | Inverell          |
| EL 7361                | Guyra             |
| EL 7597                | Merriwa - 2       |
| EL 7858                | Stannifer         |
| EL 8130                | Old Mill          |
| EL 7269                | Windellama        |
| EL 8370                | Penrose Forest    |
| EL 7357                | Taralga           |
| EL 7681                | Taralga Extension |
| ELA 5225               | New Stannifer     |
| <b>Queensland</b>      |                   |
| EPM 17790              | Hampton           |
| EPM 17830              | Haden             |
| EPM 17831              | Hillgrove         |
| EPM 18014              | Binjour           |
| EPM 18772              | Binjour Extension |
| ML 80126               | Toondoon ML       |
| EPM 25146              | Toondoon EPM      |
| EPM 19390              | Brovinia          |
| EPMA 19427             | Brovinia 2        |
| EPM 25787              | Harrami           |

|                 |                   |
|-----------------|-------------------|
| <b>Tasmania</b> |                   |
| EL 4/2010       | Evandale          |
| EL 6/2010       | Cleveland         |
| EL 7/2010       | Conara            |
| EL 9/2010       | Deloraine         |
| EL 37/2010      | Westbury          |
| EL 3/2012       | Ross              |
| EL 12/2012      | Scottsdale        |
| EL 16/2012      | Reedy Marsh       |
| ML 1961 P/M     | Bald Hill Bauxite |
| EL 18/2014      | Prosser's Road    |

#### Note:

During the quarter, four tenements were disposed

All tenements are 100% owned and not subject to Farm-in or Farm-out agreements, third-party royalties nor encumbered in any way.

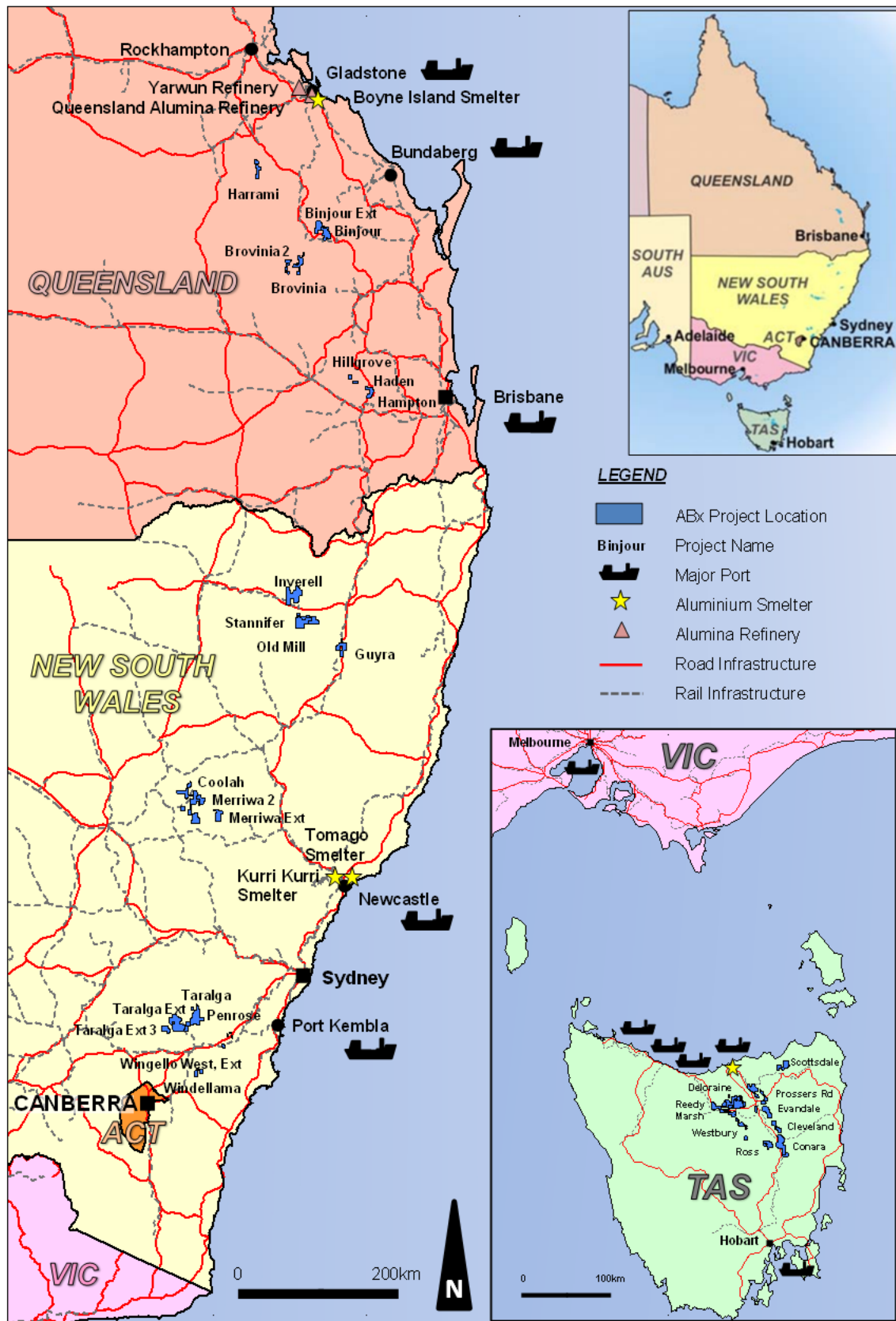


Figure 16: ABx Project Tenements and Major Infrastructure