



AUSTRALIAN **BAUXITE** LIMITED

ASX: ABX

ASX ANNOUNCEMENT

08 May 2019

ABx Bauxite Shipment Finalised

- ABx sale tonnage of 32,477 tonnes measured by independent draught survey
- Additional orders of fertiliser-grade received earlier than expectation
- Favourable foreign exchange rate is encouraging for negotiations for next shipments
- ABx could benefit from larger-sized bulk-carrier ships from northern Tasmania

Australian Bauxite Limited (ABx, ASX Code ABX) had produced and loaded 32,477 tonnes of bauxite onto the customer's ship at Bell Bay Port which is in the upper range of the contracted tonnage target of 30,000 to 33,000 of cement-grade bauxite. Grades are better than contract, as is usual for ABx.

Production of additional bauxite-products continued at the Bald Hill Bauxite Project until late April.

More orders of fertiliser-grade bauxite have been received, which confirms that ABx bauxite has clean chemistry, ideal for acid-processing to produce high quality fertiliser increasingly in demand. ABx's ALCORE bauxite refining technology also exploits this ideal acid-processing performance.

Falling A\$-US\$ exchange rates increases ABx's bauxite competitiveness – see market summary Appendix.

Shipping is priced in US\$ dollars and is increasingly important for Tasmanian exporters. ABx needs to use the largest possible ships from northern Tasmanian ports and notes that proposals to increase the maximum ship-size at Burnie Port to 75,000 tonnes in the near-term are being investigated.

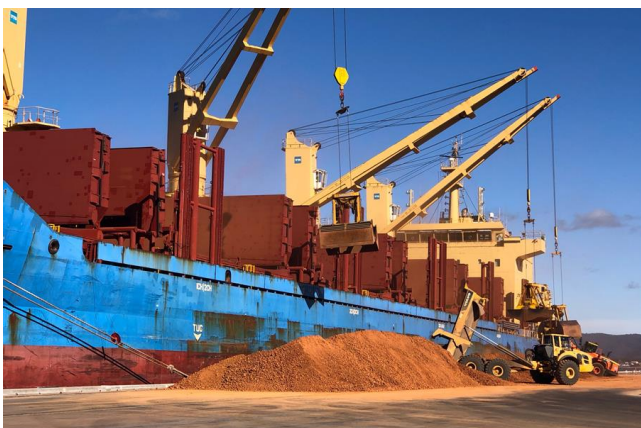


Figure 1: Early loading – note Plimsoll line on ship



Figure 2: Bauxite loading from ABx's port stockpile



Figure 3: Ship-loading day 2



Figure 4: Last ship-loading. Note ship nearing full-depth

Load-rate: 14,760 tonnes per day. Better than contract. QUBE Ports stevedores excelled.



Figure 3: Production at Bald Hill Bauxite Project



Figure 4: Bauxite product from crusher-screen

Mine and screen production rates achieved by the ABx mine team and Hazell Bros contractors were above target due to improvements and innovations introduced during this operation.



Figure 5: Truck loading at dawn



Figure 6: Loaded trucks leaving mine site for port

Trucking delivered 33,000 tonnes to the port stockpile at Bell Bay weeks before ship arrival. Trucking was done by Dave Wagner & Son Pty Ltd which has a proven record of handling the ABx bauxite efficiently and with care shown for the public, the product and the customer, ABx.



Figure 7: Truck unloading at Bell Bay Port stockpile

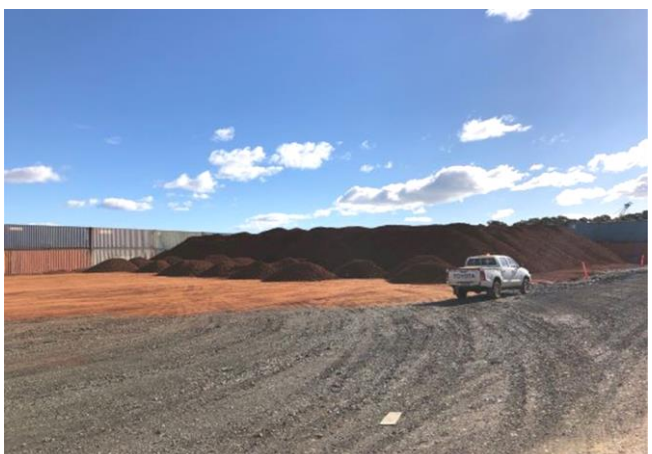


Figure 8: Port stockpile of cement-grade bauxite

ABx was pleased to work with TasPorts to secure a permanent stockpile location at Bell Bay Port.

Additional product stockpiles have been achieved, including fertiliser-grade bauxite, cement-grade bauxite and sizeable stockpiles of ALCORE refinery-grade bauxite. A sample of several tonnes of this refinery-grade bauxite will be supplied to the ALCORE Research Centre in Berkeley Vale, Central Coast NSW for refining into Aluminium Fluoride for potential customers to evaluate.

ABx has accumulated a significant quantity of ALCORE refinery-grade bauxite and is conducting an ore reserve estimation of that material.

Bald Hill Bauxite Project in Tasmania has the potential to accumulate several year's supply of ALCORE refinery-grade bauxite at marginal cost, should ALCORE Limited require it for a production-plant in Bell Bay, Tasmania.

Rehabilitation has been carried out over the past months in accordance with ABx standard practice of reforming the land surface in readiness for pasture seeding in the right seasonal period.

ABx shares the concerns of local landholders about drought conditions that have affected Tasmania during recent times. ABx hopes it can still carry out seeding in the next few weeks, rain permitting.



Figure 9: Rehabilitation

Completed section of pit MB1 reformed ready for soil reinstatement and pasture seeding.

Note the dry conditions during this drought in Tasmania

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

We only operate where welcomed.

Seasonal Complementation With Binjour Bauxite Project, QLD

Binjour project will be at maximum production during the Queensland Dry Season from April to November. ABx's bauxite mines in Tasmania achieve optimum production in Summer months from November to May. ABx's marketing partner, Rawmin of India has bauxite mines in north-western India that are restricted by the Monsoon months June to September each year,

This bauxite mining and screening operation at Bald Hill in Tasmania has confirmed that coordinated production and shipments from all 3 sets of mines will achieve a reliable year-round delivery to the customer of bauxite at a consistent specification.

Bauxite Specifications Planned for Binjour, Tasmania and Indian Mines

Bauxite Parameters	Australia	India
Al ₂ O ₃	42 % - 44 %	42 % - 44 %
SiO ₂	4 % - 6 %	6 % - 8 %
R- SiO ₂	3.5 % - 5.5 %	5.5 % - 7.5 %
Fe ₂ O ₃	26 % (Max)	25 % (Max)
CaO	0.5 % (Max)	3 % (Max)
TiO ₂	4.5 % (Max)	3.5 % (Max)
MHA (Monohydrate)	2 % (Max)	2 % (Max)
Moisture	10% (Max)	10% (Max)
Size	0 -100mm	0 -100mm

Table 1: Target metallurgical bauxite specifications for sales contracts

All bauxite is gibbsite-rich trihydrate (THA) bauxite with very low content of the monohydrate alumina minerals boehmite and diaspore which require high temperature refining.

These bauxite specifications in Table 1 are ideally suited for low-temperature alumina refineries.



Figure 10: Screening into cement & fertiliser grade products



Figure 11: Clean bauxite product

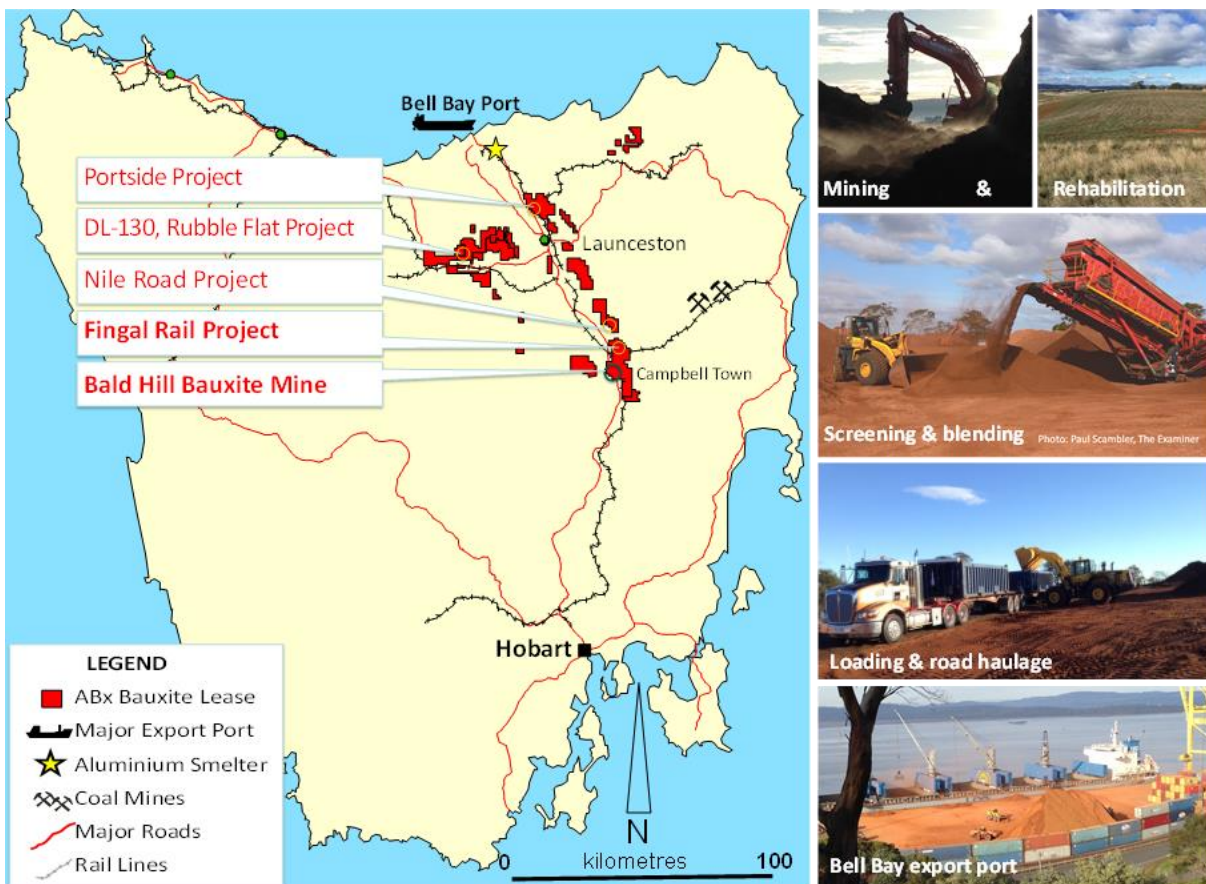


Figure 12: Locations of ABx bauxite mines, projects and transport infrastructure in Tasmania

For further information please contact:

Ian Levy, CEO and MD
Australian Bauxite Limited
Mobile: +61 (0) 407 189 122

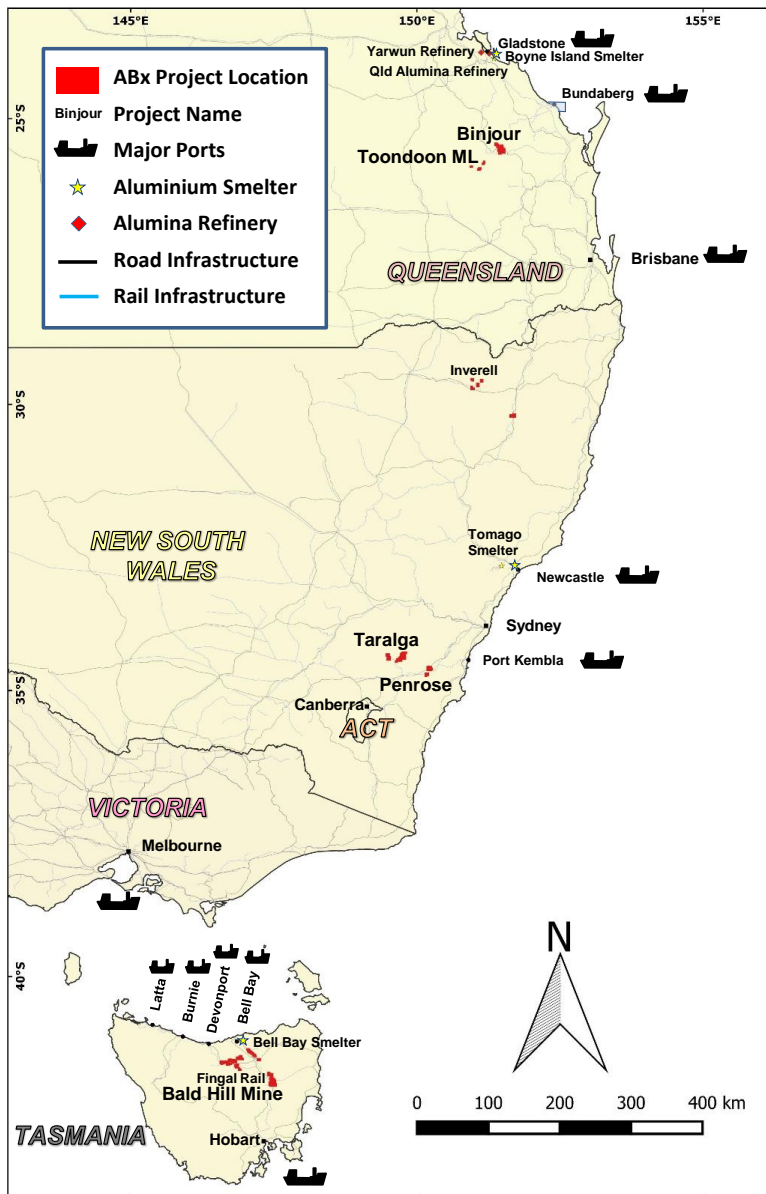


Figure 13

ABx Project Tenements & Major Infrastructure in ABx's major bauxite project areas nearest export ports in Eastern Australia as follows, from north to south:

1. Central Queensland based on the major Binjour Bauxite Project, southwest of Port of Bundaberg
2. Southern NSW Taralga & Penrose pine forest west of Port Kembla
3. Northern Tasmania, south of Bell Bay Port of Launceston

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 14 bauxite tenements in Queensland, New South Wales & Tasmania exceed 834 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 in northern NSW, 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: LATEST MARKET INFORMATION

China's imports of metallurgical bauxite reached record levels of 8.9 million tonnes in February 2019, mainly from Guinea in west Africa (4.4 million tonnes), Australia (2.8 million tonnes) & Indonesia (1.2 million tonnes).

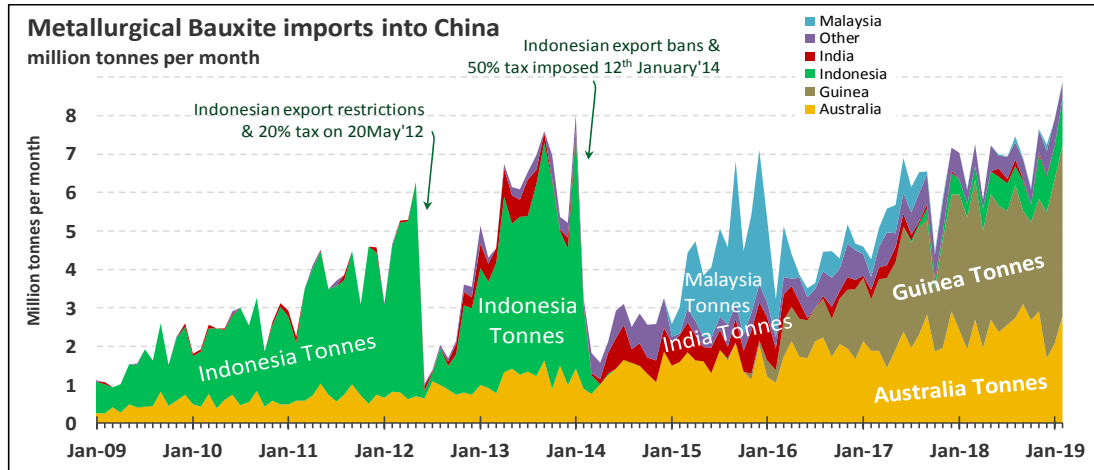


Figure 14: Bauxite import tonnages into China 2009 to 2019

Source Asian Metals & Chinese Import Data

Bauxite prices have firmed in US dollar terms from US\$49/tonne in mid 2017 to US\$54/tonne in recent months (blue line in Figure 15 below). Prices are increasing strongly in Australian dollars from A\$63/tonne in mid 2017 to A\$75/tonne in recent months as the A\$ exchange rate with the US\$ has fallen from above US\$0.90 in 2014 to around US\$0.70 in recent months – see red line in Figure 15 following.

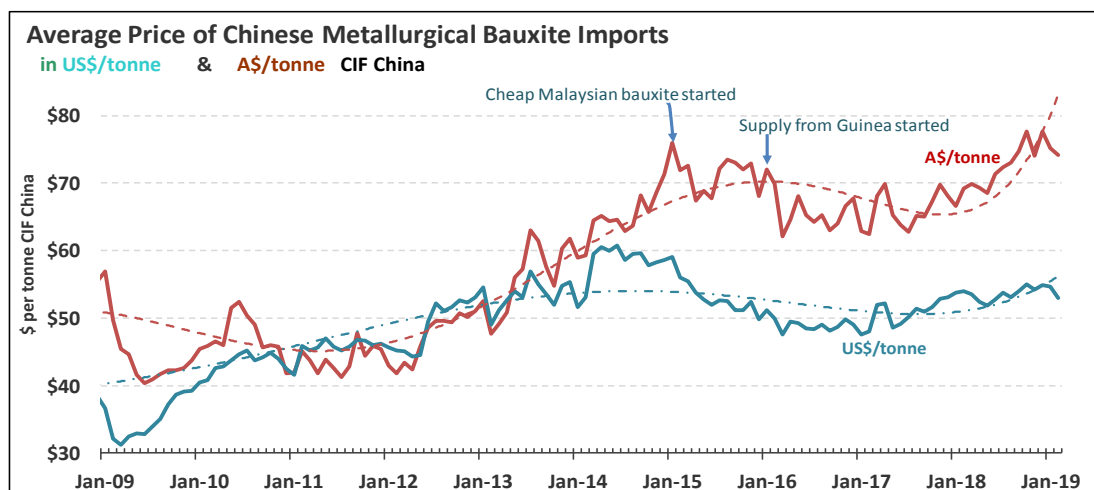


Figure 15: Bauxite import prices into China 2009 to 2019

Source Asian Metals & Chinese Import Data

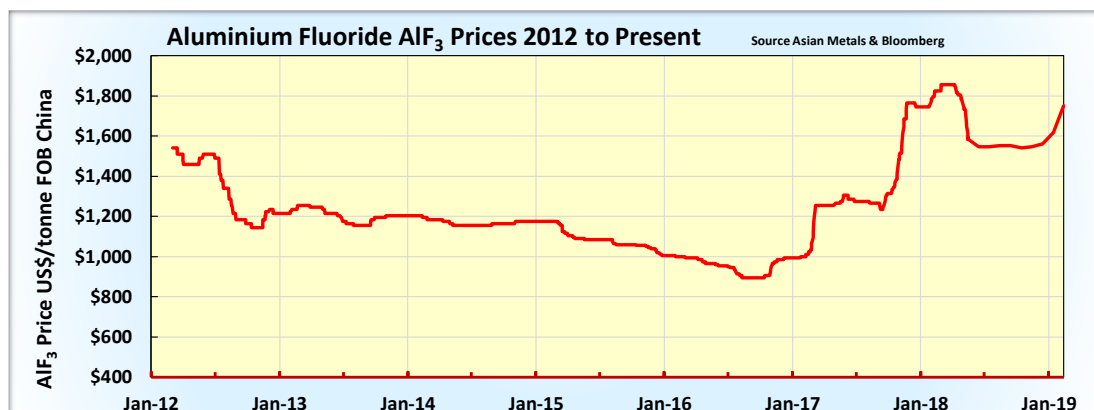


Figure 16: Aluminium Fluoride prices exported from China 2012 to 2019

Source Asian Metals & Bloomberg

Aluminium fluoride prices have been strengthening since mid-2016 which is encouraging for ALCORE.