AUSTRALIAN BAUXITE LIMITED

ASX ANNOUNCEMENT
25 November 2019

ASX: ABX

Binjour Mine Lease Design Underway: Positive Bulk Sampling Results

- ABx's bulk-sampling programs at Binjour QLD in 2019 have defined the optimum Mining Lease Application and clarified the mining-processing strategy for the project
- Results have confirmed that the project can operate at a bulk-scale mining and screening scale and achieve the required bauxite specifications
- A project summary and financial assessment will be reviewed by the ABx Board of Directors in mid-December. Progress of the Binjour project remains on schedule
- If ABx resolves to proceed, a Mining Lease Application will be lodged in early 2020
- Binjour project is fully-funded by ABx's marketing partner, Rawmin Mining of India which will also supply similar bauxite from its bauxite mines in India to the same customer that ABx will supply from Binjour. Seasonal synergies are achieved
- Both ABx and Rawmin intend to sell 0.5 to 1.5 million tonnes per year of gibbsite-rich trihydrate (THA) bauxite grading 44% to 45% Al_2O_3 and 5% SiO_2 which is ideal for refining into alumina by low-temperature Bayer-process refineries
- Binjour bauxite resources total 37 million tonnes – see Resources Statement
- A tripartite sales MoU has been executed between ABx, Rawmin and Chinese aluminium producer Tianshan which is building an alumina refinery in Southern China that needs large supplies of the Binjour-type of bauxite starting end 2020
- ABx has also executed an MoU with the Port of Bundaberg to investigate the opportunity to export bauxite in bulk tonnages through the Port of Bundaberg
- Bulk sampling and screening has resolved mining issues, geological dilution risks, processing, environmental and ore performance characteristics that assist the design of the optimum Mining Lease Application, should ABx decide to proceed with a project

Bauxite producer, Australian Bauxite Limited (**ABx**) considers its Binjour Project located 115kms southwest of Bundaberg Port (see Figure 1) to be the best source of gibbsite-trihydrate (THA) metallurgical-grade bauxite in Queensland.

Unlike other QLD bauxites, Binjour bauxite is ideal for low-temperature alumina refineries.

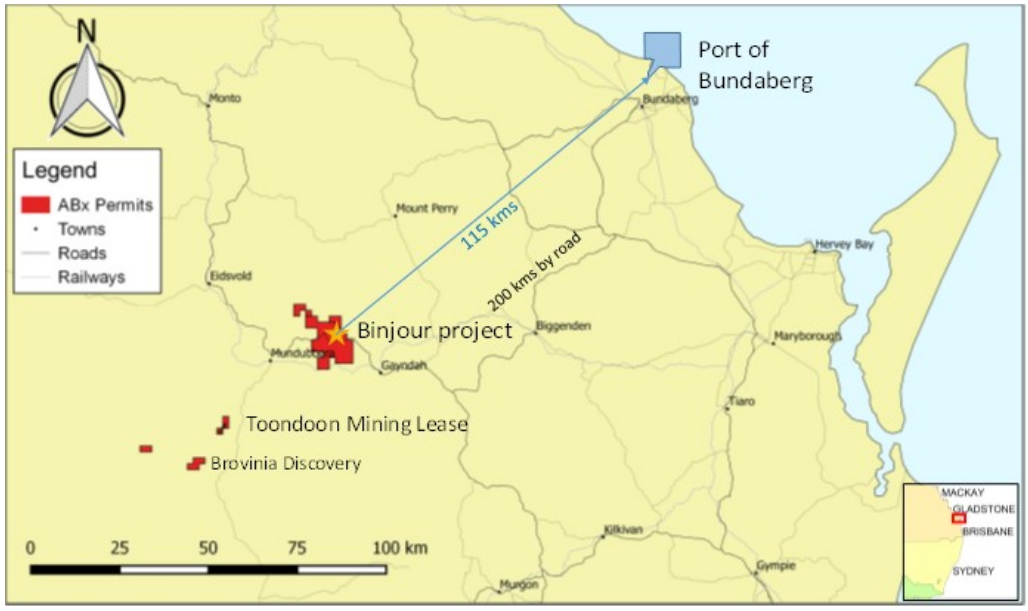

Figure 1: Location of Binjour Bauxite Project, Toondoon Mining Lease & Port of Bundaberg

Coordination with stakeholders

ABx has worked at length with landholders, local government, state government, port authorities, mining contractors, processing companies, logistics companies, marketing specialists and bauxite customers to develop a viable strategy for the Binjour Bauxite Project to produce and deliver good quality metallurgical bauxite onto large bulk carrier ships at the Port of Bundaberg for export.

Port MoU agreement

On 30th May 2019, ABx announced that it had executed a Memorandum of Understanding agreement ("MoU") with the Port of Bundaberg to investigate its potential for:

1. Stockpiling bauxite of various grades from the Binjour project
2. Blending the bauxite to the contracted specification, and
3. Transhipping bauxite for loading 150,000 tonne bulk carrier ships within port boundaries.

Customer MoU agreement

On 2nd April 2019, ABx announced it had executed a tripartite MoU between ABx and its joint venture partner, Rawmin Mining and Industries of India with Tianshan Aluminium Co Ltd of China for the sale of 0.5 to 1.5 million tonnes of bauxite from the Binjour project and a similar tonnage from Rawmin's bauxite mines in India to Tianshan's new low temperature refinery in southern China which is due for completion during 2020.

BULK SAMPLING, PROCESSING & MINE LEASE APPLICATION DESIGN FACTORS

Bulk sampling & testwork was conducted in May, June and September, with assaying and lab tests continuing through November 2019 – see JORC Table 1 in appendix for details of procedures. ABx is scheduled to make a decision in mid-December 2019 regarding project development.

Screen performance: Two 28 tonne screen tests confirmed that Binjour bauxite screens superbly with high throughput rates and clean grade-size distributions which is an important bauxite attribute.

Fig 1: ABx & Rawmin staff at Binjour bulk sample site

Figure 2: Screening of 28 tonnes of Binjour bauxite at Gympie

Fig 3 (left) Coarse fraction contains large boulders needing crushing to 100mm for shipping

Figure 4 Fine fraction screens cleanly

Yields and grades for size fractions

The following Table 1 shows the relationship between fraction sizes and assayed grades. All size fractions above 2.5mm are high quality and can constitute more than 50% of the total sample mined.

Fraction size	Weight %	Al_2O_3 %	SiO_2 %	Fe_2O_3 %	TiO_2 %	LOI %
Shippable bauxite						
+25mm	5%	48.10	3.03	17.30	5.34	26.03
10-25mm	11%	46.30	2.16	19.90	5.14	26.30
5-10mm	18%	46.50	4.51	20.40	5.42	22.97
2.5-5mm	20%	47.60	3.90	17.70	5.57	25.03
Shippable +2.5mm	**54%**	**47.01**	**3.66**	**19.02**	**5.41**	**24.70**
Fines discard						
1-2.5mm	11%	40.80	17.95	14.00	4.93	22.12
0-1mm	35%	39.30	17.65	15.20	5.29	22.36
Weighted average	100%	43.65	10.08	17.14	5.32	23.61

Table 1:

Yields and grades achieved for each size fraction

Dry-screening works superbly in dry-season

The dry-screening was impressively effective with each size fraction being free of carry-over of clays. In fact, clays at Binjour are easily screened as long as it is done in the dry-season. The clays become sticky and difficult to handle when wet.

Seasonality: For these reasons, screening will mainly be done in the dry season (April-November) when humidity is very low at Binjour. The dry season is also the best time for shipping.

Crusher for oversize lumps

As shown in Figure 3 on the previous page, the oversize fraction includes some lumps exceeding 100mm in size and will require crushing, probably on a quarterly campaign basis.

Deep high grade bauxite layer identified

The bulk sampling work also identified an extensive deep bauxite layer grading more than 48% Al_2O_3 and less than 3% SiO_2 which is the highest quality gibbsite-trihydrate bauxite in eastern Australia.

Mining this deep bauxite requires removal of 6 to 10 metres of an overlying layer of red mudstone that is probably a sediment that accumulated across the region after the high grade bauxite was formed. This deeper mining will require confidence in strong market support from a customer that is prepared to pay extra for high-grade bauxite. ABx and Rawmin believe that the bauxite market will be short of high-grade in coming years and a strong relationship with a customer is likely.

Mining issues

These bulk sampling programs tested the geological nature of the rock units that affect mining production parameters including:

1. Dilution from red mud overburden

   When red mud removal was done in close proximity to exposed bauxite, there was an increase in dilution from the red mud because it has a blocky, brick-like layer that is not identifiable in drill holes. These blocks easily break away and contaminate the extraction of the deeper layer of bauxite. Pre-stripping of large areas will be needed to minimise dilution.

2. Removal of red mud overburden

   The red mud unit is best excavated on retreat from an open face where the confining pressures of the red mud unit have been relaxed. Bulk removal of overburden using scrapers is untested and remains as an upside potential.

3. Bauxite Extraction

   Bauxite at Binjour is variable in strength and habit. It can be hard and blocky in places and within 10 to 20 metres, can be friable and free-digging. It is assumed that a large tonnage excavator (75 to 100 tonnes size) will be needed for mining all bauxite settings.

   Results show that bulk-mined bauxite can meet the required saleable grades:

Fig 5: Digging overburden vertically is difficult


Fig 6: Digging away from an open face is easier


Fig 7: High-grade bauxite at plateau edge


Fig 8: Bauxite variations tested


Fig 9: Landholders assisted the team


Fig 10: High-grade bauxite blocks to crush

Dust management

As shown in Figure 11 below, fines fractions give off dust when conditions are windy and dry. This characteristic of bauxite has implications for the mining lease design that is in progress at this time.

The Binjour plateau is heavily wooded in places which will provide natural wind suppression and a dust suppression strategy has been developed for the trommel-type screens that are best suited to Binjour-type bauxite.

Figure 12

ABx bauxite from Binjour being trammel-screened on a dry windy day at Gympie. Dust carry was measured.

ABx will employ operating practices and technology to satisfactorily manage dust.

Rehabilitation

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."

ABx hopes to improve agricultural outcomes post mining at Binjour plateau despite the moderate level of salinity in local groundwater which inhibits irrigation. ABx is receiving expert advice on this.

Figure 13

ABx bauxite employs experienced operators who safeguard the soil horizon for final reinstatement and rehabilitation of any disturbed areas.

Logistics

Delivery of bauxite to the customer overseas is the largest cost and largest challenge for the Binjour project. At present, the expectations are that high-efficiency trucking over a road distance of 200kms to the Bundaberg Port will be required. This road haulage stage is the inhibiting factor for annual tonnages sold.

A site shown as the "MoU Block" in Figure 14 below has been identified as a stockpile location that requires **no trucking** though the Bundaberg Port Village, is well shielded by surrounding scrub and has no mangroves along the river banks in that location.

To compensate for the high road haulage costs, ABx seeks to load large bulk carrier ships of the Cape Size class (110,000 tonnes bulk cargo) within the Port Limits of Bundaberg Port.

ABx favours the use of Bundaberg Port because it lies well south of the Great Barrier Reef Park and is sand-bottomed from the point of loading through to international shipping lanes. ABx has worked collegiately with Bundaberg Port management and with all stakeholders in the Wide Bay Burnett Region since 2010-11 when the discovery of the Binjour Bauxite deposit was made.

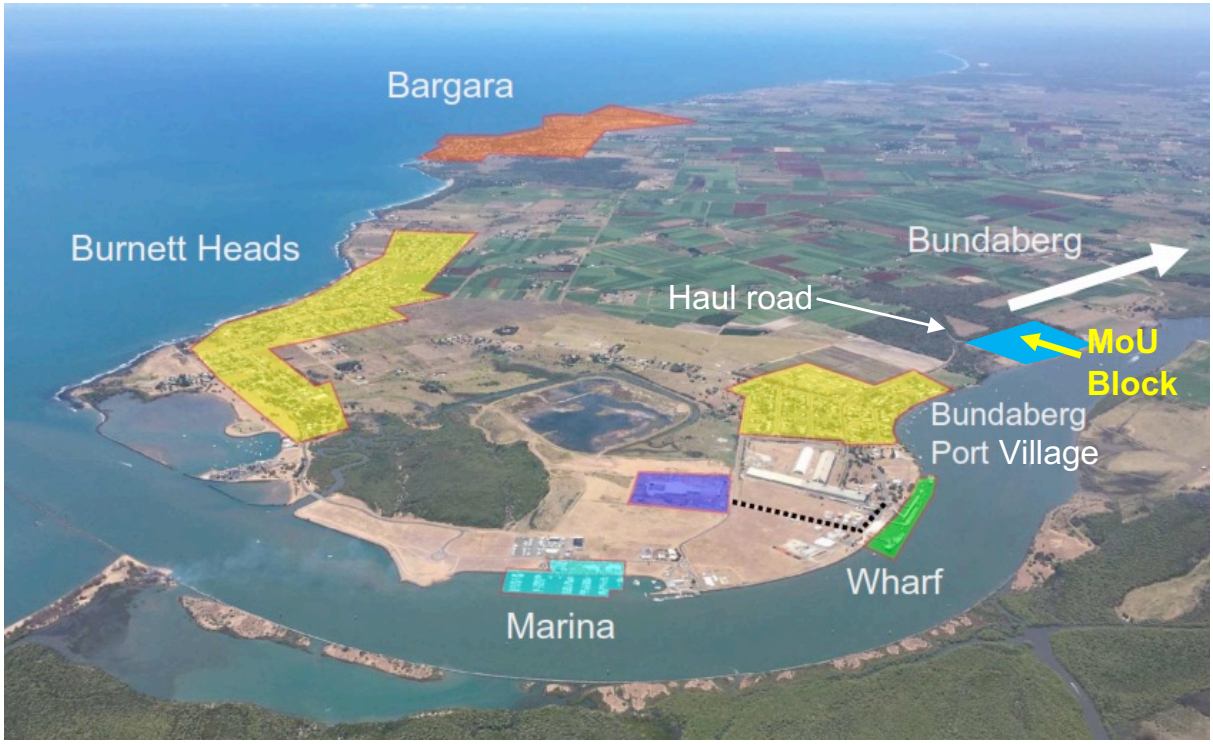

Figure 14: Location of the land being assessed at the Port of Bundaberg (middle right)

For further information please contact:

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

Resource Statement, Definitions and Qualifying Statement

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.

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 2: ABx JORC Compliant Resource Estimates

Region	Resource Category	Million Tonnes	Thickness (m)	Al_2O_3 %	SiO_2 %	A/S ratio	Fe_2O_3 %	TiO_2 %	LOI %	Al_2O_3 Avl @ 143°C %	Rx SiO_2 %	Avl/Rx ratio	% Lab Yield	O'Burden (m)	Int.Waste (m)
CAMPBELL TOWN	Inferred	1.3	3.0	42.6	3.5	12	25.4	3.5	24.6	36.7	3.0	12	50	2.1	0.1
AREA TASMANIA [7]	Indicated	1.4	3.2	42.5	3.2	14	26.4	3.0	24.5	36.2	2.8	14	55	1.8	0.1
	Total	2.7	3.1	42.5	3.3	13	25.9	3.3	24.5	36.5	2.9	13	52	2.0	0.1
Fingal Rail Cement-	Inferred	2.4	3.3	30.9	19.5	–	35.4	3.9	16.7	–	–	–	–	1.9	0.1
Grade Bauxite [8]	Indicated	3.9	3.8	31.1	19.0	–	35.2	4.0	16.9	–	–	–	–	1.7	0.1
	Total	6.3	3.6	31.0	19.2	–	35.3	4.0	16.8	–	–	–	–	1.8	0.1
DL-130 AREA TAS [1]	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	14.7	3.6	38.2	10.5	n.a.	28.7	3.5	21.4	n.a.	n.a.	n.a.	54	1.7	0.1
BINJOUR QLD [2]	Inferred	14.2	4.3	40.7	7.3	6	24.7	4.3	22.1	32.3	6.7	5	80	8.5	0.3
DSO, Screen & Cement	Indicated	22.8	4.0	33.5	19.2	2	24.9	4.2	16.8	15.8	17.4	1	63	6.6	0.3
	Total	37.0	4.1	44.1	3.6	12	23.1	3.7	24.6	39.0	3.0	13	61	8.9	0.3
TOONDOON QLD [3]	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 [4]	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 [5]	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 [6]	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	
GRAND TOTAL ALL AREAS		**137.1**													

* PDM is Al_2O_3 spinel. Al_2O_3 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 "Al2O3 Avl" & reactive silica "Rx SiO2" 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 (Al203 Avl)/(Rx SiO2) and "A/S" ratio is Al203/SiO2. 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.

The information above relates to Mineral Resources previously reported according to the JORC Code (see Competent Person Statement) as follows:

[1] *Maiden Tasmania Mineral Resource, 5.7 million tonnes announced on 08/11/2012*

[2] *Binjour Mineral Resource, 37.0 million tonnes announced on 18/06/2018)*

[3] *QLD Mining Lease 80126 Maiden Resource, 3.5 million tonnes announced on 03/12/2012*

[4] *Goulburn Taralga Bauxite Resource Increased by 50% to 37.9 million tonnes announced on 31/05/2012*

[5] *Inverell Mineral Resource update, 38.0 million tonnes announced on 08/05/2012*

[6] *Guyra Maiden Mineral Resource, 6.0 million tonnes announced on 15/08/2011*

[7] *Initial resources for 1st Tasmanian mine, 3.5 million tonnes announced on 24/03/2015*

[8] *Resource Upgrade for Fingal Rail Project, Tasmania announced on 25/08/2016*

Tabulated Resource numbers have been rounded for reporting purposes. ABX is not aware of any new information or data that materially affects the information included in the announcement and that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

Global Mineral Resources total 137.1 million tonnes.

ABx

JORC Code, 2012 Edition – Table 1 report

Section 1 Sampling Techniques and Data

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (eg cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.* *Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.* *Aspects of the determination of mineralisation that are Material to the Public Report.* *In cases where 'industry standard' work has been done this would be relatively simple (eg 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (eg submarine nodules) may warrant disclosure of detailed information.*	*Bulk sample by pit excavation to expose bauxite and confirm previous drill data*
Drilling techniques	*Drill type (eg core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (eg core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	*Original drillholes were RC air-core holes drilled vertically. Recent pits dug by excavator*
Drill sample recovery	*Method of recording and assessing core and chip sample recoveries and results assessed.* *Measures taken to maximise sample recovery and ensure representative nature of the samples.* *Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential loss/gain of fine/coarse material.*	*N.A. new pits involved total extraction by excavator*
Logging	*Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.* *Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc) photography.* *The total length and percentage of the relevant intersections logged.*	*Visual examination by competent person of bauxite excavated. Each sample photographed and manually sieved*
Sub-sampling techniques and sample preparation	*If core, whether cut or sawn and whether quarter, half or all core taken.* *If non-core, whether riffled, tube sampled, rotary split, etc and whether sampled wet or dry.* *For all sample types, the nature, quality and appropriateness of the sample preparation technique.* *Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.* *Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.* *Whether sample sizes are appropriate to the grain size of the material being sampled.*	*Sub-sampling by fractional shovelling in accordance with ISO standards and in compliance with Gy's sampling nomogram*

Criteria	JORC Code explanation	Commentary
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.* *For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.* *Nature of quality control procedures adopted (eg standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (ie lack of bias) and precision have been established.*	*Assays by NATA-registered ALS Laboratory, Brisbane – standard bauxite assays*
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.* *The use of twinned holes.* *Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.* *Discuss any adjustment to assay data.*	*Compared with previous drillhole . Main purpose of this pit sampling.*
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.* *Specification of the grid system used.* *Quality and adequacy of topographic control.*	*GPS located and compared with original photographs of drillhole sites on old tracks*
Data spacing and distribution	*Data spacing for reporting of Exploration Results.* *Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.* *Whether sample compositing has been applied.*	*Located on two old drillhole sites, 162 metres apart*
Orientation of data in relation to geological structure	*Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.* *If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.*	*Vertical pits dug through horizontal bauxite layer..*
Sample security	*The measures taken to ensure sample security.*	Samples driven directly to ALS Laboratories
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	*Detailed report verified by several experienced officers*

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	• *Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.* • *The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.*	• *Granted EPM 18014 exploration permit for minerals on private freehold land, subject to Conduct and CompensationAgreement, safety inductions and ABX-standard safety protocols*

Criteria	JORC Code explanation	Commentary
Exploration done by other parties	• *Acknowledgment and appraisal of exploration by other parties.*	• *Nil – ABx discovery which has been explored by ABx since 2011*
Geology	• *Deposit type, geological setting and style of mineralisation.*	• Bauxite layer on Binjour Plateau, QLD
Drill hole Information	• *A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:* ○ *easting and northing of the drill hole collar* ○ *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* ○ *dip and azimuth of the hole* ○ *down hole length and interception depth* ○ *hole length.* • *If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.*	• ABx drill 1000 drillholes in 2011 and 2012 reported in earlier ASX releases. Not applicable except for two holes BJ690 and BJ695 as discussed in the report.
Data aggregation methods	• *In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (eg cutting of high grades) and cut-off grades are usually Material and should be stated.* • *Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.* • *The assumptions used for any reporting of metal equivalent values should be clearly stated.*	• *Samples collected at 0.5m and 1.0m intervals. Simple arithmetic averaging.*
Relationship between mineralisation widths and intercept lengths	• *These relationships are particularly important in the reporting of Exploration Results.* • *If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.* • *If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (eg 'down hole length, true width not known').*	• *N.A. simple pit excavation to reveal bauxite thickness*
Diagrams	• *Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.*	• *In report*
Balanced reporting	• *Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	• *Balanced standard report*
Other substantive exploration data	• *Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density,*	• *Nil – none known*

Criteria	JORC Code explanation	Commentary
	groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.	
Further work	• *The nature and scale of planned further work (eg tests for lateral extensions or depth extensions or large-scale step-out drilling).* • *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	• *Further bulk sample and screening tests at a larger scale are planned in late June, with results expected in July and August.*

Section 3 Estimation & Reporting of Mineral Resources: Bulk Pit work

Criteria	JORC Code explanation	Commentary
Database integrity	• Measures taken to ensure data has not been corrupted by, for example, transcription or keying errors, between its initial collection & its use for Mineral Resource estimation purposes.	• N.A.
	• Data validation procedures used.	• Lab data entered electronically
Site visits	• Comment on any site visits undertaken by the Competent Person & outcome of those visits.	• Competent persons conducted the work
	• If no site visits, why.	• All sites visited
Geological interpretation	• Confidence in (or conversely, the uncertainty of) the geological interpretation of the mineral deposit.	• Geology is simple strata, tested by pits at locations where bauxite is exposed or shallow
	• Nature of the data used & of any assumptions made.	• Outcrops mapped & pit-sampled. Drillholes complete the subsurface mapping.
	• Effect, if any, of alternative interpretations on Mineral Resource estimation.	• N.A.
	• The use of geology in guiding & controlling Mineral Resource estimation.	• N.A.
	• Factors affecting continuity both of grade & geology.	• Continuity is assumed to be semi random or highly variable, as is normal for bauxite
Dimensions	• Extent & variability of the Mineral Resource expressed as length (along strike or otherwise), plan width, & depth below surface to the upper & lower limits of Mineral Resource.	• Bauxite channels 100 to 250m wide meander over 1 to 2km strike. Dissected by erosion channels. Bauxite thickness varies from 1 to 14 metres. Overburden varies from 0 to 13m.
Estimation & modelling techniques	• Nature & appropriateness of estimation technique(s) applied & key assumptions, including treatment of extreme grade values, domaining, interpolation parameters & maximum distance of extrapolation from data points. If a computer assisted estimation method was chosen include a description of computer software & parameters used.	• N.A.
	• Availability of check estimates, previous estimates &/or mine production records & whether the Mineral Resource estimate takes appropriate account of such data.	• Consistency between initial estimates & re-estimations after additional drilling compares well with pit results.

Criteria	JORC Code explanation	Commentary
	• The assumptions made regarding recovery of by-products.	• N.A.
	• Estimation of deleterious elements or other non-grade variables of economic significance	• Bauxite has many grades, including reactive silica (Rx SiO_2) which is the main deleterious element.
	• In the case of block model interpolation, the block size in relation to the average sample spacing & the search employed.	• N.A.
	• Any assumptions behind modelling of selective mining units.	• N.A.
	• Assumptions about correlation between variables.	• N.A.
	• Description of how the geological interpretation was used to control the resource estimates.	• N.A.
	• Discussion of basis for using or not using grade cutting or capping.	• N.A.
	• Process of validation, checking process used, comparison of model data to drill hole data, & use of reconciliation data if available.	• Holes compare as expected with twinned holes and pit samples
Moisture	• Whether the tonnages are estimated on a dry basis or with natural moisture, & the method of determination of the moisture content.	• Moisture is measured gravimetrically by weighing wet and after drying
Cut-off parameters	• The basis of the adopted cut-off grade(s) or quality parameters applied.	• N.A.
Mining factors or assumptions	• Assumptions made regarding possible mining methods, minimum mining dimensions & internal (or external) mining dilution. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential mining methods, but the assumptions made regarding mining methods & parameters when estimating Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the mining assumptions made.	• Mining and screen performance being tested by pit sampling and bulk sample testwork. • All subgrade bauxite treated as overburden or internal waste. 1m length samples incorporate considerable dilution which is easily screened out.
Metallurgical factors or assumptions	• Basis for assumptions or predictions regarding metallurgical amenability. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider potential metallurgical methods, but the assumptions regarding metallurgical treatment processes & parameters made when reporting Mineral Resources may not always be rigorous. Where this is the case, this should be reported with an explanation of the basis of the metallurgical assumptions made.	• Mining and screen performance being tested by pit sampling and bulk sample testwork. • Screen performance is modelled by sieve work done by Competent Person • Metallurgical-grade bauxite is an industry category of bauxite.
Environmental factors or assumptions	• Assumptions made regarding possible waste & process residue disposal options. It is always necessary as part of the process of determining reasonable prospects for eventual economic extraction to consider the potential environmental impacts of the mining & processing operation. While at this stage the determination of potential environmental impacts, particularly for a greenfields project, may not always be well advanced, the status of early consideration of these potential environmental impacts should be reported. Where these aspects have not been considered this should be reported with an explanation of the environmental assumptions.	• N.A.
Bulk density	• Whether assumed or determined. If assumed, the basis	• Measured densities – dry in-

Criteria	JORC Code explanation	Commentary
	for the assumptions. If determined, the method used, whether wet or dry, the frequency of the measurements, the nature, size & representativeness of the samples.	situ by volumetric methods from bulk pit samples • Broken density & stowage factors for transport, plus the angle of repose for stockpiling also measure in early stages of mining
	• The bulk density for bulk material must have been measured by methods that adequately account for void spaces (vugs, porosity, etc), moisture & differences between rock & alteration zones within the deposit.	• Measured volumetrically by diamond blade sawing of precise channels, drying & weighing. • 9 diamond drill cores measured and weighed dry corroborated pit channel sample estimates of 1.9 to 2.1 tonnes per cubic metre (high due to high Fe_2O_3)
	• Discuss assumptions for bulk density estimates used in the evaluation process of the different materials.	• No assumptions. ABx uses measured densities.
Classification	• The basis for the classification of the Mineral Resources into varying confidence categories.	• N.A.
	• Whether appropriate account has been taken of all relevant factors (ie relative confidence in tonnage/grade estimations, reliability of input data, confidence in continuity of geology & metal values, quality, quantity & distribution of the data).	• N.A.
	• Whether the result appropriately reflects the Competent Person's view of the deposit.	• results appropriately reflects Competent Persons' views of deposits
Audits or reviews	• Results of any audits or reviews of Mineral Resource estimates.	• N.A.
Discussion of relative accuracy/ confidence	• Where appropriate a statement of the relative accuracy & confidence level in the Mineral Resource estimate using an approach or procedure deemed appropriate by the Competent Person. For example, the application of statistical or geostatistical procedures to quantify the relative accuracy of the resource within stated confidence limits, or, if such an approach is not deemed appropriate, a qualitative discussion of the factors that could affect the relative accuracy & confidence of the estimate.	• All Competent Persons do manual, volume-based • Competent Persons have signed approvals for publicly released resource reports. • No objections to date & comments are welcomed
	• Statement should specify whether it relates to global or local estimates, &, if local, state the relevant tonnages, which should be relevant to technical & economic evaluation. Documentation should include assumptions made & the procedures used.	• N.A.
	• Statements of relative accuracy & confidence of the estimate should be compared with production data, where available.	• Is always being done, in accordance with industry practice & common sense triple-checking.

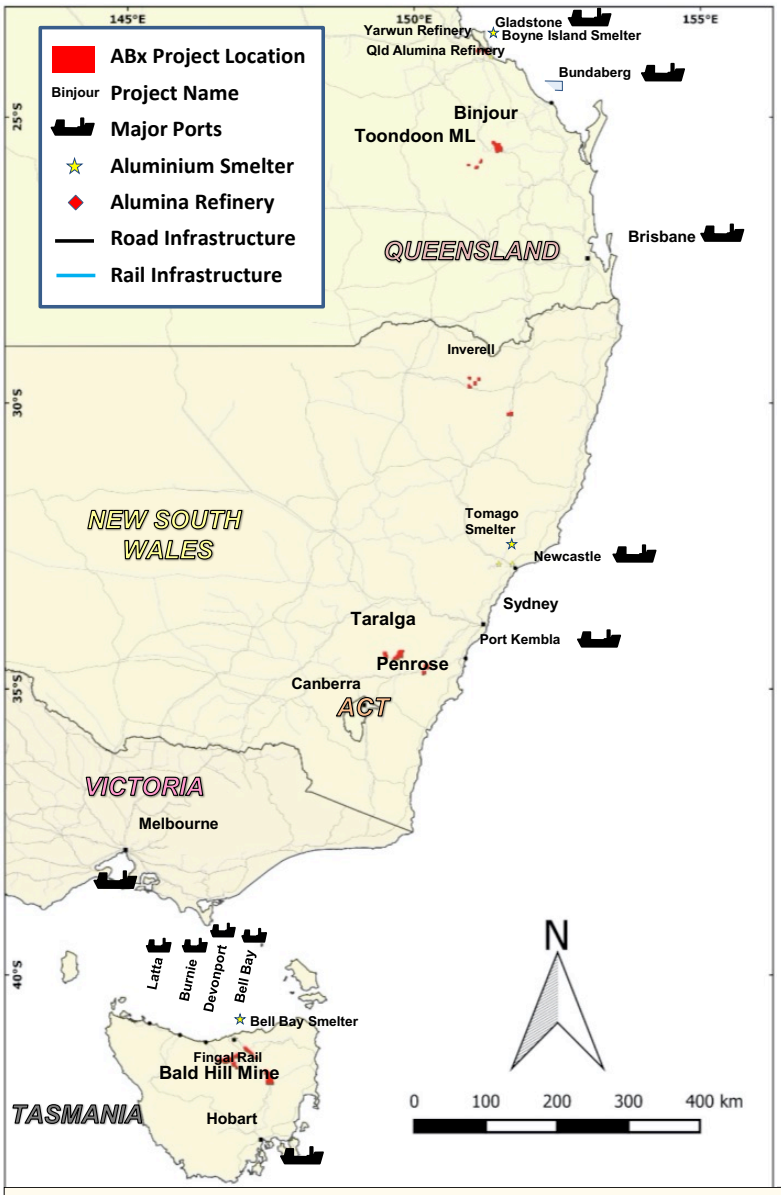

Figure 15

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

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

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 12 bauxite tenements in Queensland, New South Wales & Tasmania exceed 719 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.