



AUSTRALIAN BAUXITE LIMITED

ASX ANNOUNCEMENT

16 December 2019

ASX: ABX

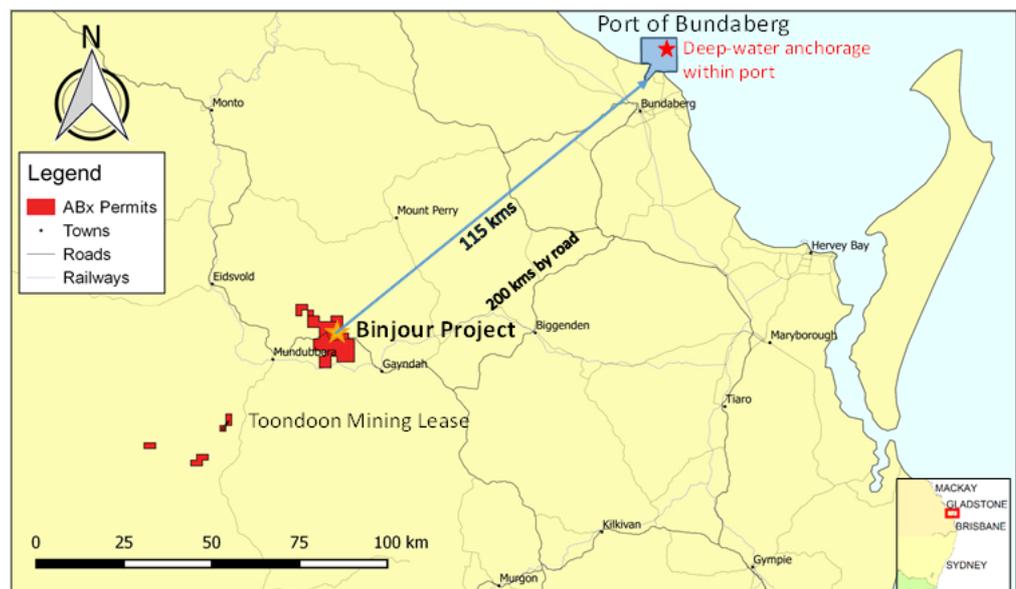
Binjour mining lease application will proceed. Binjour Project is fully-funded

- ABx's Board of Directors has approved the lodgement of a mining lease application and related project strategy for ABx's flagship Binjour Bauxite Project located 115kms southwest of Bundaberg export port, central Queensland
- ABx Directors and a Director of Rawmin Mining of India reviewed project plans, financial assessments, bauxite market developments and risk-factors over 3 days
- A Mining Lease Application will be lodged in early 2020, commencing with pre-lodgement discussions with government departments as soon as practicable
- Binjour project is fully-funded by ABx's marketing partner, Rawmin Mining of India
- 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. Initial production for the first 10 to 15 years will focus on high-grade zones that require little processing – see Figure 2
- A tripartite sales MoU exists between ABx, Rawmin and Chinese aluminium producer Tianshan which needs large supplies of the Binjour-type of bauxite, starting end 2020
- ABx also has an MoU with the Port of Bundaberg to investigate the opportunity to export bauxite in bulk tonnages through the Port of Bundaberg
- Research in 2020 will study extraction of very high grade bauxite from “detrital bauxite” rubble that has shed off the Binjour Plateau to create additional high-value products

Figure 1: Location of Binjour Bauxite Project & Port of Bundaberg

ABx considers Binjour Project to be the best source of gibbsite-rich bauxite in Queensland (QLD).

Unlike other QLD bauxites, Binjour bauxite is ideal for low-temperature alumina refineries being high grade, low silica & carbon-free



Planning for 9 years

Since discovery in 2010, ABx has worked with landholders, local & state government, port authorities, operator & logistics contractors, market specialists and customers to develop an optimum strategy for the Binjour Project. The plan is to produce high-quality metallurgical-grade bauxite exported in large bulk carrier ships from the Port of Bundaberg. The plan also leaves the land better than we find it.



Project fully-funded by Rawmin Mining

ABx's marketing partner, Rawmin Mining of India has agreed to fund all pre-production and working capital costs for the Binjour Bauxite Project and will be entitled to a 50% joint venture interest in the project. ABx will be the project operator.

Market Dynamics Favour Binjour's Entry into Seaborne Markets

Binjour will produce a product at a quality-assured, consistent specification as follows ¹:

Binjour product specifications	Total Al ₂ O ₃ %	Total SiO ₂ %	Reactive SiO ₂ %
Shipped bauxite	45	5	< 4%

Reactive silica is determined by leaching at 140 degrees C

100% trihydrate (THA) gibbsite-rich bauxite that can be refined into alumina at 140° C

Nil monohydrate mineralogy (ie. no boehmite or diasporite minerals that need high-temperature (250° C) refining to produce alumina

Low to nil organic carbon content

Low to nil CaO content

Low moisture (~5%)

Excellent handling performance

Current market prices for similar supplies of quality-assured seaborne gibbsite bauxite from Ghana and Guinea in West Africa and from Brazil all exceed US\$55 per tonne CIF China, as follows:

Competitive market prices:

Ghana	Minimum Price US\$/t	Maximum Price US\$/t	Recent Avg Price US\$/t	Guinea	Minimum Price US\$/t	Maximum Price US\$/t	Recent Avg Price US\$/t	Brazil	Minimum Price US\$/t	Maximum Price US\$/t	Recent Avg Price US\$/t
Range	\$55	\$96	\$72	Range	\$50	\$66	\$59	Range	\$62	\$77	\$65

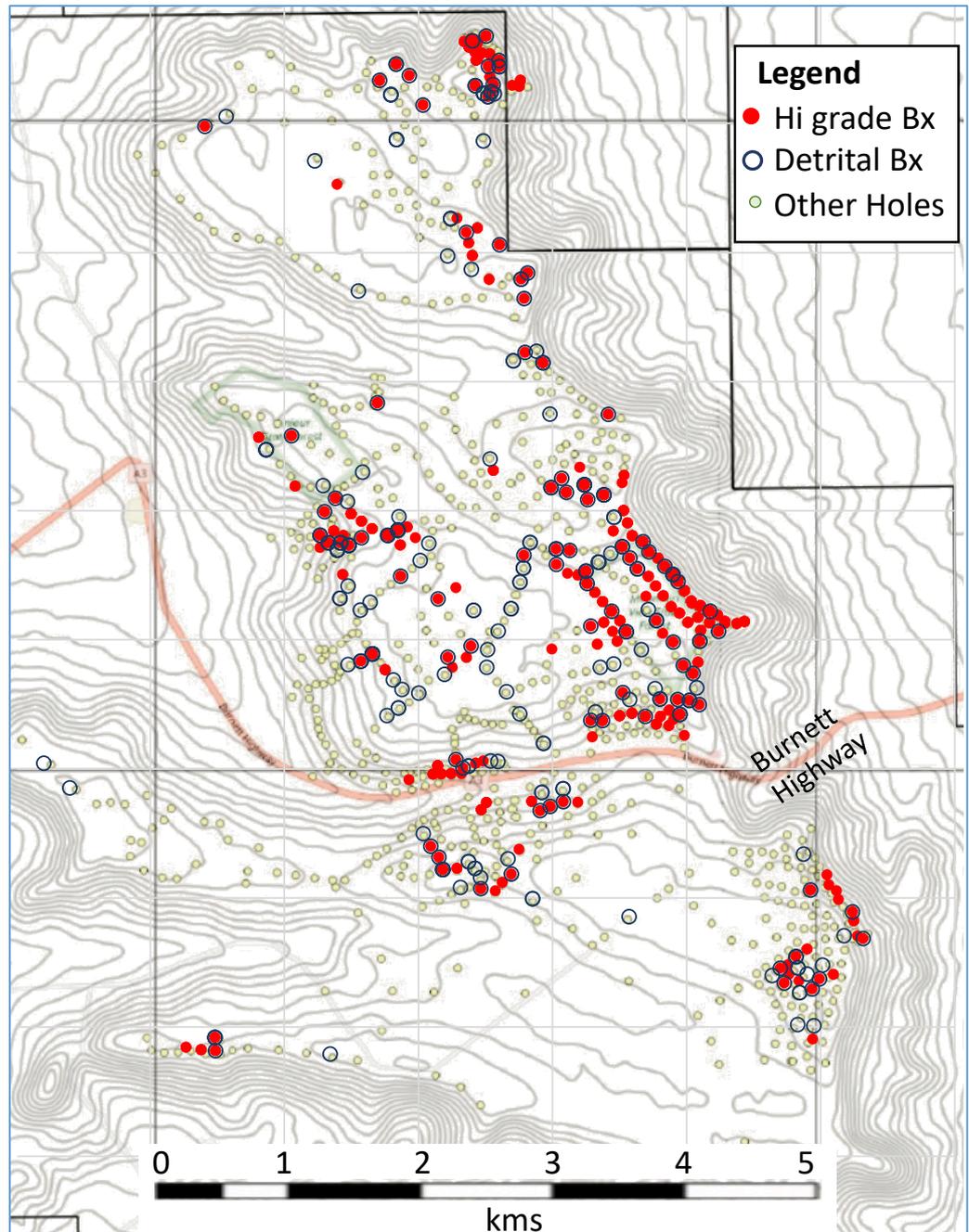
Indian mining decline leaves additional room for Binjour

ABx notes that due to regulatory constraints and global competition, the mining industry in India is experiencing negative growth and faces an uncertain future. Bauxite production in India has fallen from 28 million tonnes in 2015-16 to almost 19 million tonnes in 2018-19 and exports of bauxite has declined from 9 million tonnes in 2015-16 to only 0.1 million tonnes in 2018-19. The imposition of a 15% export duty additional to already high royalty rates is considered the main cause of this sudden collapse in Indian bauxite exports.

Barring a change of regulations in India, it is possible that Binjour bauxite can be sold into the large and expanding bauxite refining and aluminium production industry.

¹ See ASX release dated 15 November 2019

Figure 2: Location of high grade bauxite and detrital bauxite which contains very high grade bauxite at the Binjour Project



Port of Bundaberg

ABx has a Memorandum of Understanding agreement (“MoU”) with the Port of Bundaberg to investigate a designated potential stockpile site and consider its potential for:

1. Stockpiling bauxite at the “MoU Block” – see location shown in Figure 3 on next page
2. Blending the bauxite to the contracted specification, and
3. To compensate for high road haulage costs, ABx seeks to load large Cape Size ships (150,000 tonnes cargo) at deep-water anchorage within 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.

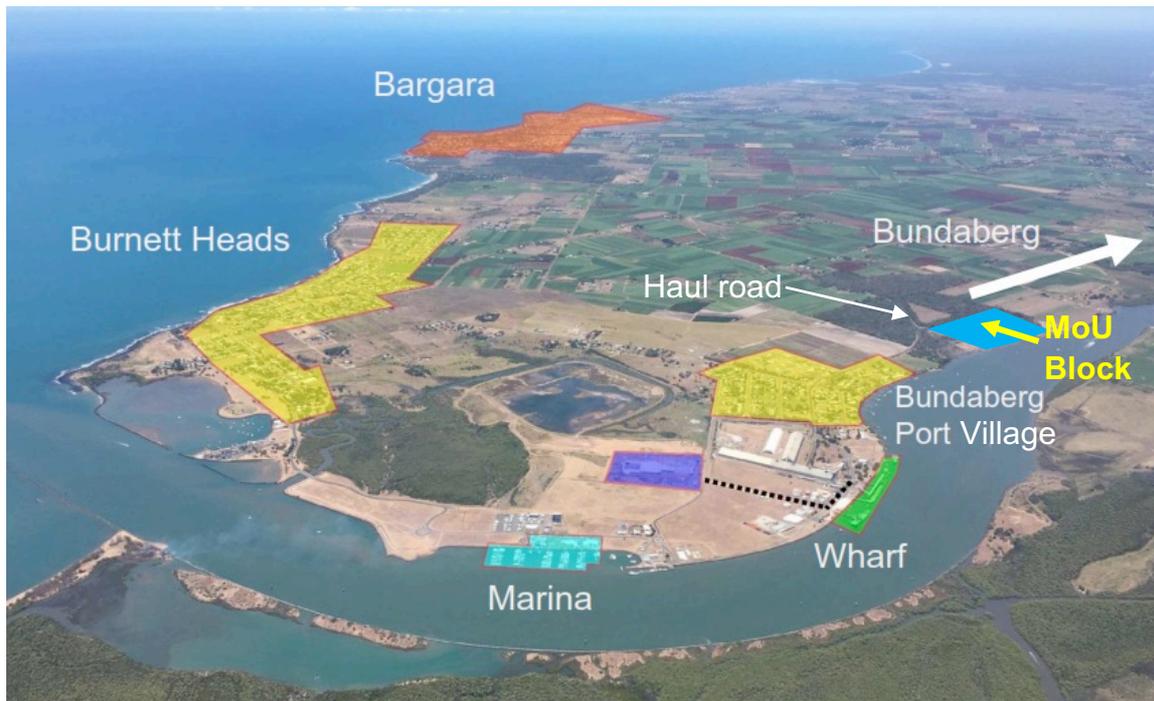


Figure 3: Location of the “MoU Block” (middle right) being assessed at the Port of Bundaberg

ABx favours the use of the MoU block at Bundaberg Port because trucks will not need to pass through the Port village community and keeps the bauxite well away from inhabited areas.

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ASX release authorised by Ian Levy, CEO and MD of Australian Bauxite Limited

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.

Directors

Paul Lennon

Ian Levy

Ken Boundy

Henry Kinstlinger

Chairman

CEO & MD

Director

Company Secretary

Officers

Leon Hawker

Jacob Rebek

Paul Glover

Nathan Towns

Chief Operating Officer

Chief Geologist

Logistics & Exploration Manager

Operations Manager

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 ₂ O ₃	SiO ₂	A/S	Fe ₂ O ₃	TiO ₂	LOI	Al ₂ O ₃ Avl	Rx SiO ₂	Avl/Rx	% Lab	O'Burden	Int.Waste
				%	%	ratio	%	%	%	@ 143°C %	%	ratio	Yield	(m)	(m)
CAMPBELL TOWN AREA TASMANIA ⁷	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
	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- Grade Bauxite ⁸	Inferred	2.4	3.3	30.9	19.5	--	35.4	3.9	16.7	--	--	--	--	1.9	0.1
	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 DSO, Screen & Cement	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
	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	36.2	14.6	3	24.9	4.2	18.8	22.1	13.3	2	69	7.3	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 Al₂O₃ spinel. Al₂O₃ 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 (Al₂O₃ Avl)/(Rx SiO₂) and "A/S" ratio is Al₂O₃/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.