



AUSTRALIAN **BAUXITE** LIMITED

ASX ANNOUNCEMENT

14 May 2020

ASX: ABX

Section 8 of Appendix 5B – Further Details

Australian Bauxite Limited (ASX: ABX) (**ABx** or **Company**) is pleased to expand on the information provided in the Company's March 2020 Appendix 5B so as to provide more detail for shareholders.

Section 8.8.1 of the Appendix 5B states

Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

During the March Quarter, the Company expended \$381,000 in exploration, evaluation and development which is above trend because these funds included extensive Research and Development expenditure on the Alcore R&D Project operated by ABx's 90% subsidiary (\$233,000) and \$148,000 in exploration and evaluation, predominately at ABx's Bald Hill bauxite mine in Northern Tasmania and the Binjour Bauxite Project in Queensland. Mining costs at Bald Hill were related to a sale of essential bauxite for fertiliser production in Tasmania (ASX: 1 April 2020). These expenditures were specific to operations conducted in the March Quarter and accordingly these production costs will not reoccur in the coming 2 quarters.

Section 8.8.2 states

Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

The Company has secured an order for 35,000 tonnes cement grade bauxite with working capital finance in place to cover production costs (ASX: 14 May 2020). This is the largest sale tonnage to date for ABx.

No additional steps have been taken to raise further cash as the Company is expecting an R&D rebate for work completed in the 2019 financial year to 30 December 2019 and revenue from several bauxite mineral sales. Gross revenue in the order of \$2,945,000 is expected during the June and September Quarters. These amounts have been combined to mask the mineral sales prices which are confidential.

Current cash and these funds are considered sufficient to meet the Company's cash requirements.

Section 8.8.3 states

Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Yes. The Company is progressing its mine development at Binjour Queensland. This project is fully funded (ASX: 25 November 2019). The Alcore R&D Project is now costing less than in 2019 and is being funded by Alcore Limited independently of ABx.

This announcement has been approved for release by the Board of ABx.

For further information please contact:

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

About Australian Bauxite Limited

ASX Code ABX

Web: www.australianbauxite.com.au

Australian Bauxite Limited (ABx) has its first bauxite mine in Tasmania & holds the core of the Eastern Australian Bauxite Province. ABx's 12 bauxite tenements in Queensland, New South Wales & Tasmania totalled 719 km² & 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. The Company's bauxite is high quality gibbsite trihydrate (THA) bauxite that can be processed into alumina at low temperature.

ABx has committed a large proportion of its expenditure into Research and Development to find ways to capitalise on the main strengths of its bauxite type, mainly highly clean, free of all deleterious elements and partitioned into layers, nodules, particles and grains of different qualities that can be separated into different product streams using physical, chemical and geophysical methods. ABx has declared large Mineral Resources in northern NSW, southern NSW, Binjour in central QLD & in Tasmania where ABx's first mine commenced at Bald Hill near Campbell Town, Tasmania 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 domestic 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.

About ALCORE Limited

Australian Bauxite Limited (ABx) has incorporated ALCORE Limited as a wholly-owned subsidiary to manage the ALCORE Project leading to the construction of an ALCORE Production Plant to produce Aluminium Fluoride (AlF₃) and valuable co-products, using patent (pending) new technology. ALCORE is planning to convert low grade bauxite worth \$50 per tonne into a suite of valuable products worth more than \$800 per tonne. Stage 1 of the ALCORE project commenced on 1 July as planned at ALCORE's pre-approved Pilot Plant site in Berkeley Vale, Central Coast NSW.

Stage 1 is designed to produce AlF₃ test samples for pre-qualified aluminium smelter customers & then produce Corethane, which is pure hydrocarbon powder refined from low-value coals and has been used to provide thermal and electrical power with low CO₂ emissions when used as a gas-substitute to fuel large gas turbines. Corethane has also been used as a diesel substitute for fuel security purposes and is ideally suited for use as a sulphur-free bunker fuel.

Directors of ABx

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	Marketing, Exploration & Relationships