



AUSTRALIAN BAUXITE LIMITED
ASX: ABX

About Australian Bauxite Limited ASX Code ABX

Australian Bauxite Limited (ABx) is establishing its first mine in Tasmania and holds the core of the Eastern Australian Bauxite Province. ABx's 37 bauxite tenements in Queensland, New South Wales & Tasmania covering 5,029km² 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 bauxite & can be processed into alumina at low temperature – the type in short-supply globally.

ABx has declared 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 is targeted for production in late 2014.

ABx aspires to identify large bauxite resources in the Eastern Australian Bauxite Province, which is emerging as one of the world's best bauxite provinces. ABx has the potential to create significant bauxite developments in three 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
Kon Tsiakas	Director

Henry Kinstlinger	Secretary
Julian Rockett	Secretary

Australian Bauxite Limited

ACN 139 494 885
Lvl 2 131 Macquarie Street Sydney NSW 2000
p: +61 2 9251 7177 f: +61 2 9251 7500
e: corporate@australianbauxite.com.au

ASX Symbol: ABX (previously ABZ)

Latest News: www.australianbauxite.com.au

Archived ASX Reports (including ABZ):

<http://www.asx.com.au/asx/statistics/announcements.do?by=issuerId&issuerId=6979&timeframe=D&period=M6>

QUARTERLY REPORT

Quarterly Activities Statement to 30 June 2014.

Quarterly report dated 29 July for three months to 30 June 2014.

PRINCIPAL POINTS

Corporate

- Former Tasmanian Premier, Paul Lennon, appointed Chairman following the retirement of John Dawkins AO at the recent AGM.
- On 28 May 2014 Australian Bauxite Limited (ABX) held its Annual General Meeting. All resolutions put to the meeting were passed on a show of hands.
- On 4 July, the ASX code for the company was changed from ABZ to ABX.
- Available cash is in the order of \$2 million.

Exploration

- First Tasmanian mining lease, Bald Hill ML 1961 approval is expected in August 2014 after finalisation of landholder arrangements
- 2nd Mining Lease boundary defined at Fingal Rail bauxite project, 11km north of Campbell Town. Landholder arrangements are in place, sufficient for Mining Lease application
- 3rd Mining target area enlarged 12 kms after discovery of a zone of high grade thick bauxite at DL 130 prospect in northern Tasmania, within 75 km of the Bell Bay Export Port.
- Bauxite Product Definition is shown in the Appendix.

Bauxite market has tightened as forecast

- Indonesian export bans have tightened supply of ABx's type of bauxite as predicted.
- Bauxite prices delivered to China continue to rise above trend.
- Freight rates continue to fall.

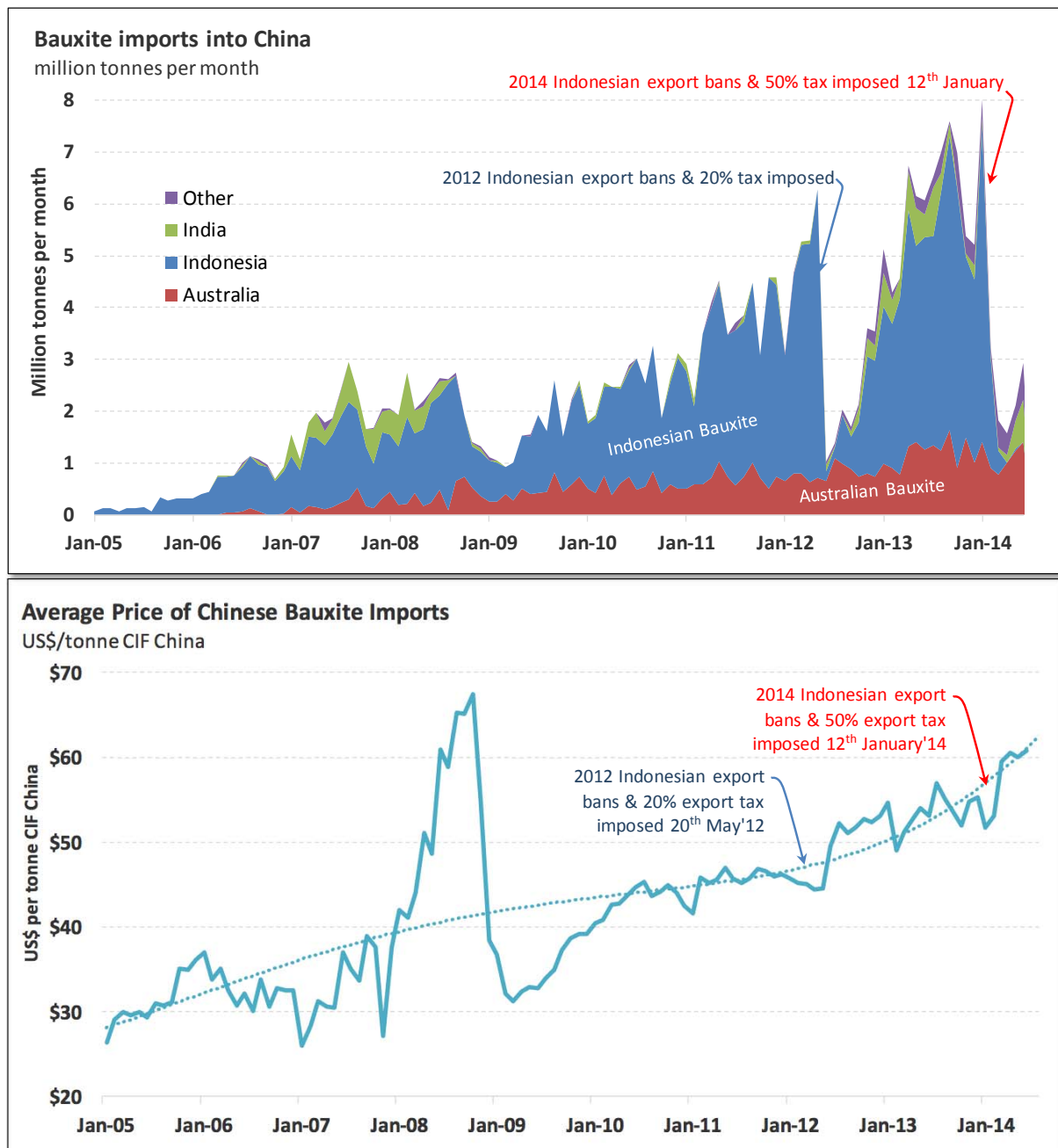
Tenement status

All tenements are in good standing & 100% owned.

Bauxite Market Commentary

Chinese bauxite imported tonnes & prices are rising as predicted. Indonesian bans on bauxite exports being imposed longer than expected

- Bauxite import tonnages rose from 1.58 million tonnes in April to 2.93 million tonnes in June 2014
- Indonesian tonnes shipped to China ceased after bans imposed 12 January
- Prices continue to rise above trend, averaging US\$60.80/t CIF China, 25% higher than 2 years ago
- A\$ prices average A\$64.54, 35% higher than 2 years ago when ABx commenced project approvals
- China is sourcing bauxite from non-traditional suppliers at prices up to US\$90/t averaging US\$70.76/t – a stress reaction due to Chinese stockpiles of bauxite being consumed faster than expected.



Figures 1 & 2. Bauxite imports into China to 30 June 2014. Tonnes & Prices

Source: Chinese Customs, Bloomberg

Indonesia: Indonesian bauxite shipments to China have ceased and the bans have remained effective to date.

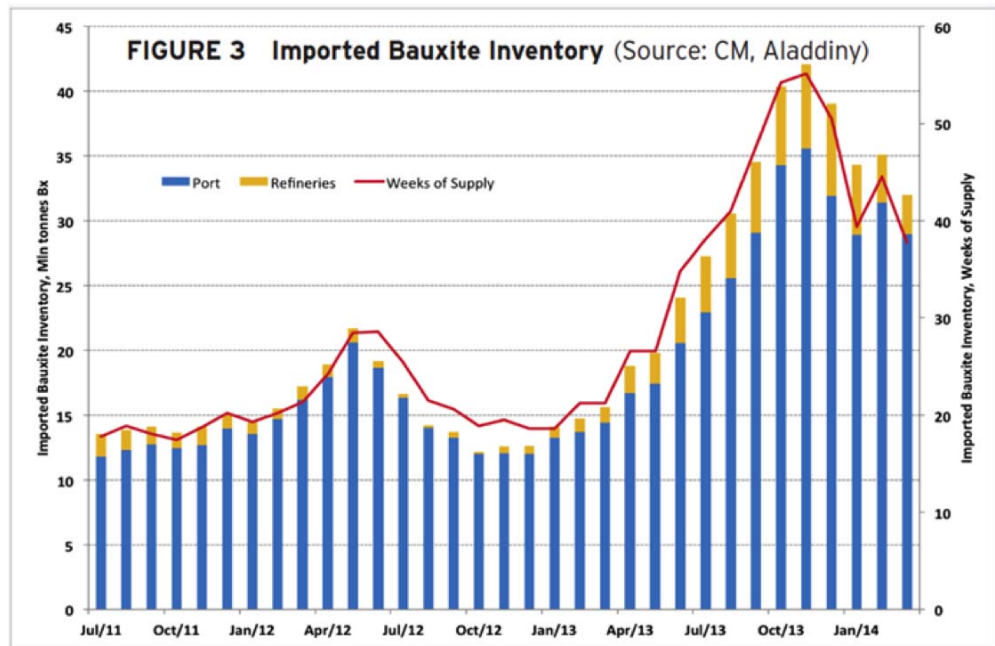
Australia: Rio's Australian tonnages are returning to normal levels of 1.4Mt/month after wet season.

India: Indian tonnages were 0.8Mt in June but new Indian export taxes of 20% on bauxite are taking effect.

Others: "Other bauxite" comes at high prices from Dominica, Guinea, Ghana, Brazil, Fiji and others. This pattern is a sign of stressed buying because the transport costs from West Africa, Dominica & Brazil are punitive. Note that shipping costs were unusually low in June and trending lower. Because prices are quoted CIF China including shipping cost, the underlying rising bauxite price trend is stronger than shown in the graphs.

China's bauxite stockpiles falling: Chinese refineries are using bauxite purchased and stockpiled before the Indonesian bans. Some is low quality bauxite, requiring more tonnes of this low-grade, silica-rich bauxite to produce sufficient alumina. This had led to a faster reduction in China's stockpile than planned.

ABx had predicted prices reaching above US\$60/t in 2015 but that was exceeded in April'14. Alumina Limited has predicted bauxite prices will reach US\$80/t by 2019.



Gibbsite Bauxite Demand Will Tighten Most

Gibbsite-rich bauxite like Indonesian, Indian and ABx's Australian bauxite, is premium-priced because it is "low-temperature" gibbsite-rich bauxite, often called THA or trihydrate bauxite. Low-temperature refineries using gibbsite bauxite achieve significant cost benefits because of the low-temperature refining process.

Gibbsite is an alumina trihydrate mineral which dissolves at 140 degrees C in low-temperature alumina refineries (the lowest cost refineries) whilst the mineral boehmite in the high-temperature bauxite type is alumina monohydrate which dissolves at 240 degrees C. Chinese domestic bauxite comprises the more refractory alumina mineral diaspor which dissolves at 290 to 350 degrees C in Chinese high-temperature refineries.

Many of China's largest alumina refineries are low-temperature types of refineries which have until now, relied almost solely on imports of low-temperature gibbsite bauxite from Indonesia. Last year, China imported 72 million tonnes of bauxite, of which 49 million tonnes or 68% came from Indonesia. These cheap supplies from Indonesia have been curtailed, as of 12 January 2014 and China is seeking new suppliers.

Chinese buyers want alternative suppliers and Australia is the logical new supplier country. ABx is the only potential near-term new supplier of trihydrate gibbsite bauxite.

Australian Bauxite Limited plans to ship low temperature, gibbsite bauxite, initially from its Tasmanian mines. It aspires to become the third largest single supplier of bauxite into China over the next 6 years, specialising in the gibbsite trihydrate bauxite market niche so as to not compete with Chinese domestic bauxite suppliers and to not compete with Australian suppliers of boehmite bauxite. ABx's emergence will help make Australia a reliable supplier of all types of bauxite for the seaborne bauxite trade in the Pacific Basin.

Tasmanian Project

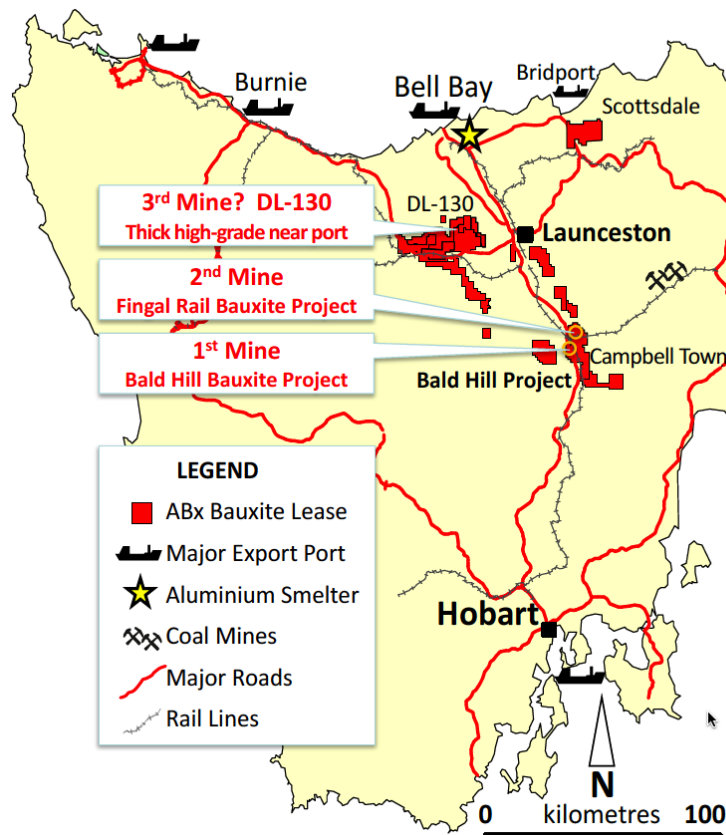


Figure 4. Locations in Tasmania

First Mine: Bald Hill Bauxite Project. Mining Lease ML 1961 is now at approval stage

The Tasmanian government has recently advised it is prepared to grant Mining Lease ML1961 for the first Tasmanian bauxite mine at the Bald Hill Bauxite Project near Campbell Town (see map above), subject to payment of an environmental security bond and finalisation of the full land access agreements with landholders. Landholder arrangements have recently been agreed for the majority of the ML area and the company is confident that strong bauxite market prices will prevail into 2015.

The Mining Lease is now in final stages of grant, probably before late August, which is satisfactory for commencement of production in late 2014 as planned.

The company has received all expert reports required and final comments from the Tasmanian Environmental Protection Agency in response to the penultimate draft of the company's Development Plan and Environmental Management Plan (DPEMP). It is intended to place the final DPEMP report on public display in late August. Should objections be raised, there is a satisfactory timetable for mediation and if needed, arbitration. However, the company has been impressed by the community and government support to date in Tasmania and expects a positive community response to this project which is the commencement of a new industry for Tasmania at an environmentally ideal site.

2nd Mining lease defined for Fingal Rail Bauxite Project

The Company has defined a Mining Lease boundary for the Fingal Rail Bauxite Project area in Tasmania (see Figure 4 above).

Figure 5 below shows the proposed mining lease outline at Fingal Rail. Land access agreements have been concluded over the main area. Recent environmental surveys have returned satisfactory results and an

Aboriginal cultural heritage assessment is nearing completion so that a Notice of Intent can be submitted to the relevant government departments.

Subject to satisfactory reports and approvals, Fingal Rail is intended to be the Company's second mining lease and is located west of Conara, some 11 km north of Campbell Town where the first mining lease at the Bald Hill Bauxite Project is located in the northern midlands of Tasmania.

The Company considers this proposed bauxite mine to be a simple quarrying and rehabilitation project, feeding bauxite into a stockpile at Bell Bay Port which will combine bauxite from several quarries for export. Fingal Rail is ideally located to be transported either by existing highways or rail that run through the proposed lease area.

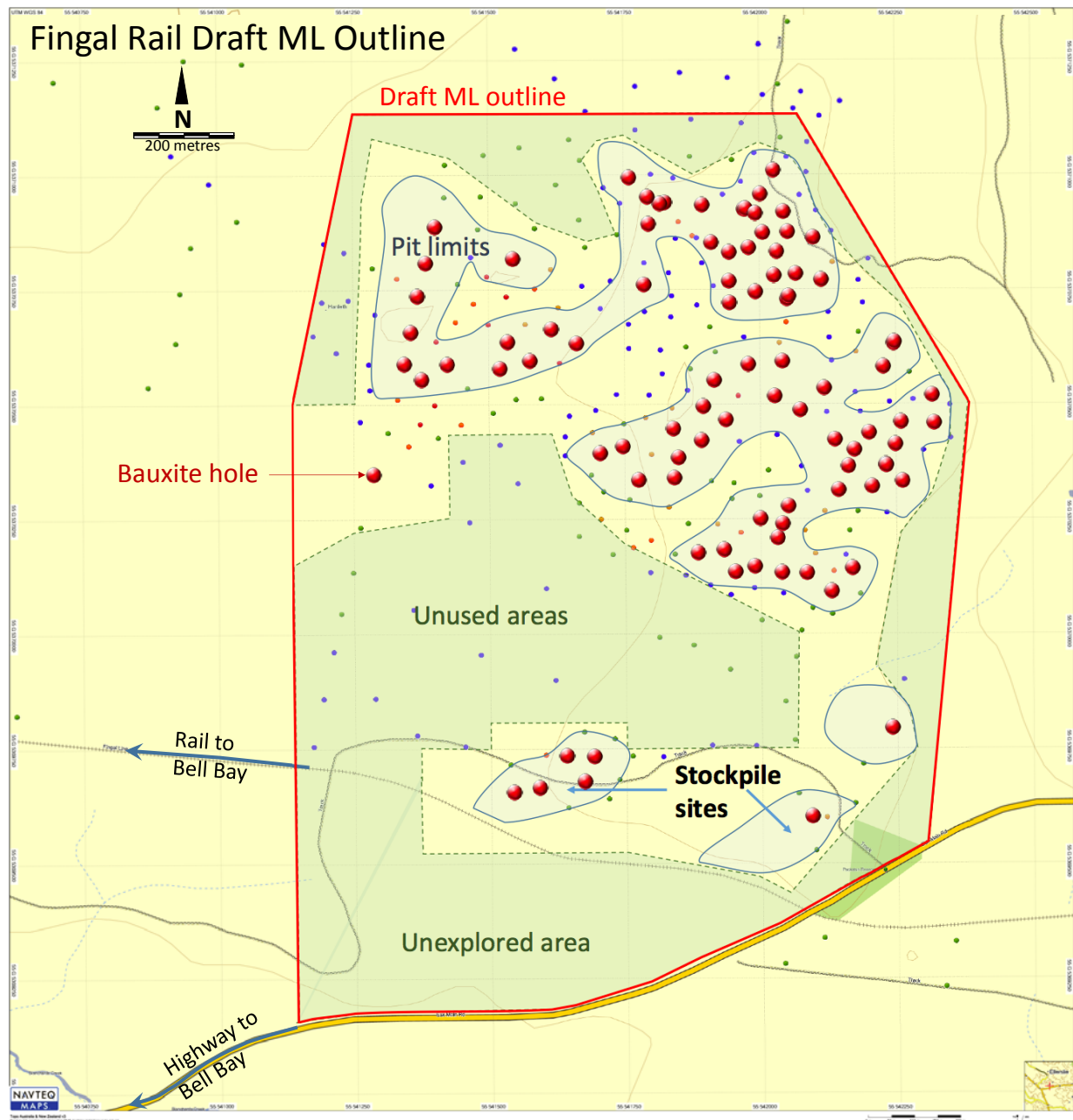


Figure 5. Fingal Rail Bauxite Project Area Drilling to date

Mine Target Area Enlarged 12km (ASX announcement 15 May 2014)

DL-130 & 12km of extensions - Tasmania

The Company has discovered a zone of higher grade, thicker bauxite at its DL-130 prospect in northern Tasmania, located within 75 kilometres of the Bell Bay Export Port and with bauxite zones up to 14 metres thick. Exploration fieldwork has identified a line-of-lode of bauxite outcrops extending over more than 12 kilometres and more than 5 kilometres wide – see Figure 6 below.

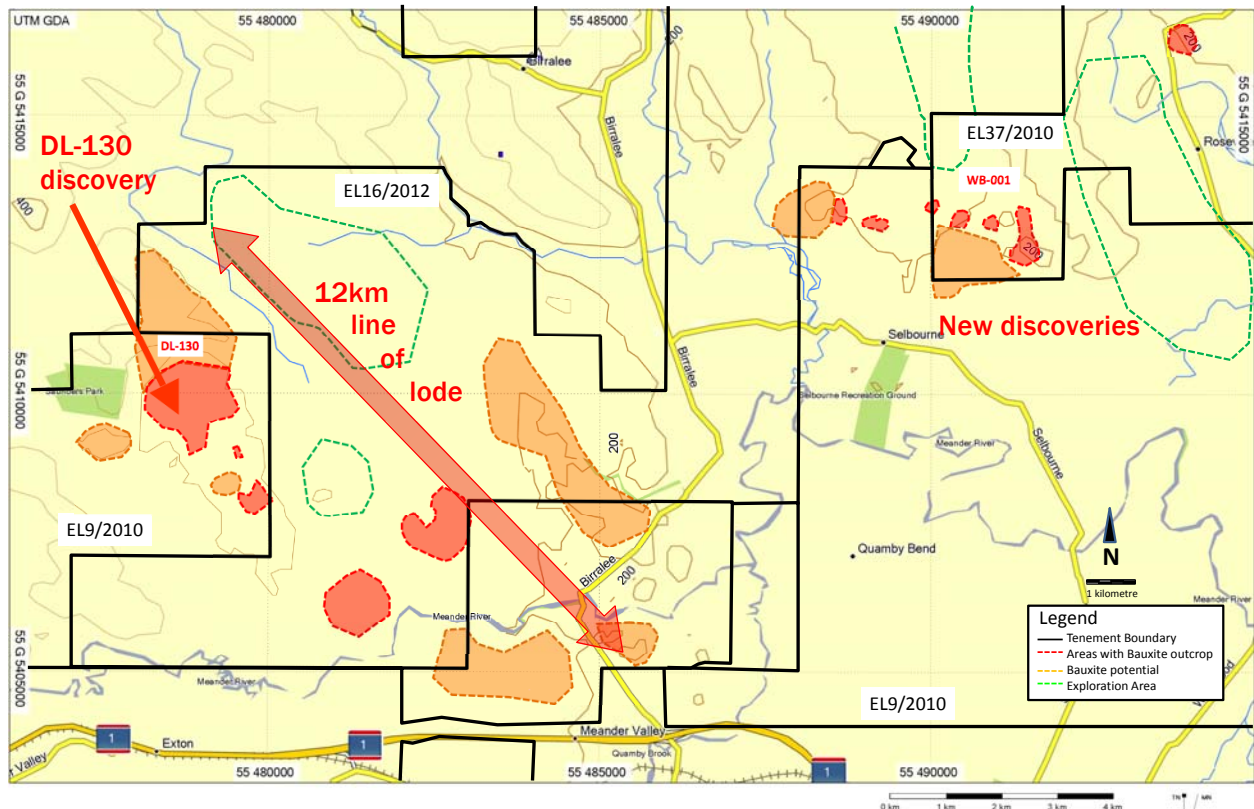


Figure 6. DL-130 Bauxite Prospect & recently discovered extensions of outcropping bauxite (red), potential concealed bauxite (orange) & new exploration targets (green) identified by ABX's exploration technology

Table 1 lists the recent high-grade drill holes at the DL-130 prospect and Figure 7 shows the holes' locations within the DL-130 prospect.

A significant proportion of the bauxite lies within hardwood plantations that were developed by Gunns Limited (in Liquidation) and access was delayed until last December/ January. The sale of these areas to a new forestry company has recently been announced and further drilling is planned.

The discovery of thick bauxite zones, up to 14 metres thick is a positive development because of improved economics and the potential to extract significant tonnages from a small area, thus reducing the rehabilitation footprint. For customers of Tasmanian bauxite, DL-130's thicker, higher bauxite grades demonstrates the potential for blending bauxite from up to 3 mining centres to achieve consistent grades and specifications for years to come. DL-130 and extension areas are ideally located to be transported either by existing highways or rail to Bell Bay Port.

Business Development Strategy: The development of the Tasmanian bauxite industry will commence with simple quarrying and rehabilitation operations, feeding bauxite directly into a stockpile at Bell Bay Port which will combine bauxite from several quarries for export. In production year 2 onwards, upgrading processing will begin.

Bauxite Product Definition: The specification and processing characteristics of bauxite planned to be produced from Tasmania is set out in the Appendix.

Table 1

Thick bauxite intercepts in holes from the Northwest of DL-130 Prospect to date.

Sieved at 0.26mm ¹														
Hole	From m	To m	Thick-ness	Al ₂ O ₃ Avl % ¹	SiO ₂ Rx % ¹	Avl/Rx Ratio ¹	Al ₂ O ₃ %	SiO ₂ %	A/S Ratio	Fe ₂ O ₃ %	TiO ₂ %	LOI %	Lab ¹ Yield%	
DL158	3	6	3	42.4	6.0	7.1	50.3	8.9	5.6	11.0	1.4	27.8	40.2	Assays for whole samples pending
DL272	1	6	5	32.7	2.7	12.1	39.8	3.5	11.4	29.1	3.6	23.2	51.3	
DL273	1	5	4	29.0	3.4	8.6	36.2	6.6	5.5	32.0	4.4	20.0	63.5	
DL313	0	2	2	38.3	3.7	10.4	47.0	7.8	6.0	16.4	0.9	27.5	66.6	
DL314	0	4	4	43.6	2.5	17.4	49.1	4.5	10.8	15.9	1.2	28.6	47.3	
Length-yield weighted avg			3.6	35.9	3.4	10.6	43.0	5.8	7.4	23.2	2.7	24.6	54.5	
Assays for whole samples pending														
Assays for whole samples pending														
Assays for whole samples pending														
Assays for whole samples pending														
Assays for whole samples pending														

Sieved at 0.26mm ¹														
Hole	From m	To m	Thick-ness	Al ₂ O ₃ Avl % ¹	SiO ₂ Rx % ¹	Avl/Rx Ratio ¹	Al ₂ O ₃ %	SiO ₂ %	A/S Ratio	Fe ₂ O ₃ %	TiO ₂ %	LOI %	Lab ¹ Yield%	
DL160	7	9	2	32.7	5.2	6.3	43.3	11.4	3.8	18.7	0.9	25.0	70.3	Assays for whole samples pending
DL282	3	6	3	38.5	2.1	18.1	42.8	4.3	10.0	24.2	2.9	25.1	55.4	
DL295	1	9	8	34.8	5.9	5.9	43.6	7.8	5.6	21.9	0.8	25.2	43.3	
DL296*	4	14	10	41.5	4.3	9.6	48.3	8.1	6.0	13.9	2.1	27.0	50.6	
DL291	1	2	1	25.9	3.0	8.6	31.9	4.0	8.0	39.0	5.0	19.3	39.7	
Length-yield weighted avg			4.8	37.6	4.5	8.3	45.0	7.7	5.8	19.0	1.8	25.7	51.1	
Assays for whole samples pending														
Assays for whole samples pending														
Assays for whole samples pending														
Assays for whole samples pending														
Assays for whole samples pending														

Whole Sample														
Al ₂ O ₃ Avl % ¹	SiO ₂ Rx % ¹	Avl/Rx Ratio ¹	Al ₂ O ₃ %	SiO ₂ %	A/S Ratio	Fe ₂ O ₃ %	TiO ₂ %	LOI %						
29.4	9.5	3.1	41.5	15.2	2.7	18.4	1.3	23.0						
Assays for whole samples pending														
31.3	9.9	3.2	42.9	12.3	3.5	19.0	1.2	23.9						
34.9	9.3	3.8	45.0	13.0	3.4	14.0	3.0	24.4						
Assays for whole samples pending														
27.4	7.9	3.4	36.5	10.8	3.4	13.7	1.8	20.1						
Assays for whole samples pending														

* The top 4 metres of DL296 is iron-rich bauxite for which sieved assays are awaited. The unsieved, whole-sample grades of the top 4 metres and full 14 metres are as follows:

DL296	0	4	4	Assays for sieved samples pending	
DL296	0	14	14	Assays for sieved samples 1 to 4 metres pending	

* The top 4 metres of DL296 is iron-rich bauxite for which sieved assays are awaited. The unsieved, whole-sample grades of the top 4 metres and full 14 metres are as follows:

DL296	0	4	4	Assays for sieved samples pending	
DL296	0	14	14	Assays for sieved samples 1 to 4 metres pending	

¹ Leach conditions to measure available alumina "Al₂O₃ Avl" & reactive silica "Rx SiO₂" are 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Rx" ratio is (Al₂O₃ Avl)/(Rx SiO₂) and "A/S" ratio is Al₂O₃/SiO₂. Values above 10 are excellent. Lab Yield is for screening the relatively pulverised RC-air core drill samples at 0.26mm. Dry screening tests on bulk-mined bauxite in Tasmania have achieved yields exceeding 75%. The significant tonnages requiring no upgrade will have 100% yield. Average intercept grades are length-grade weighted averages.

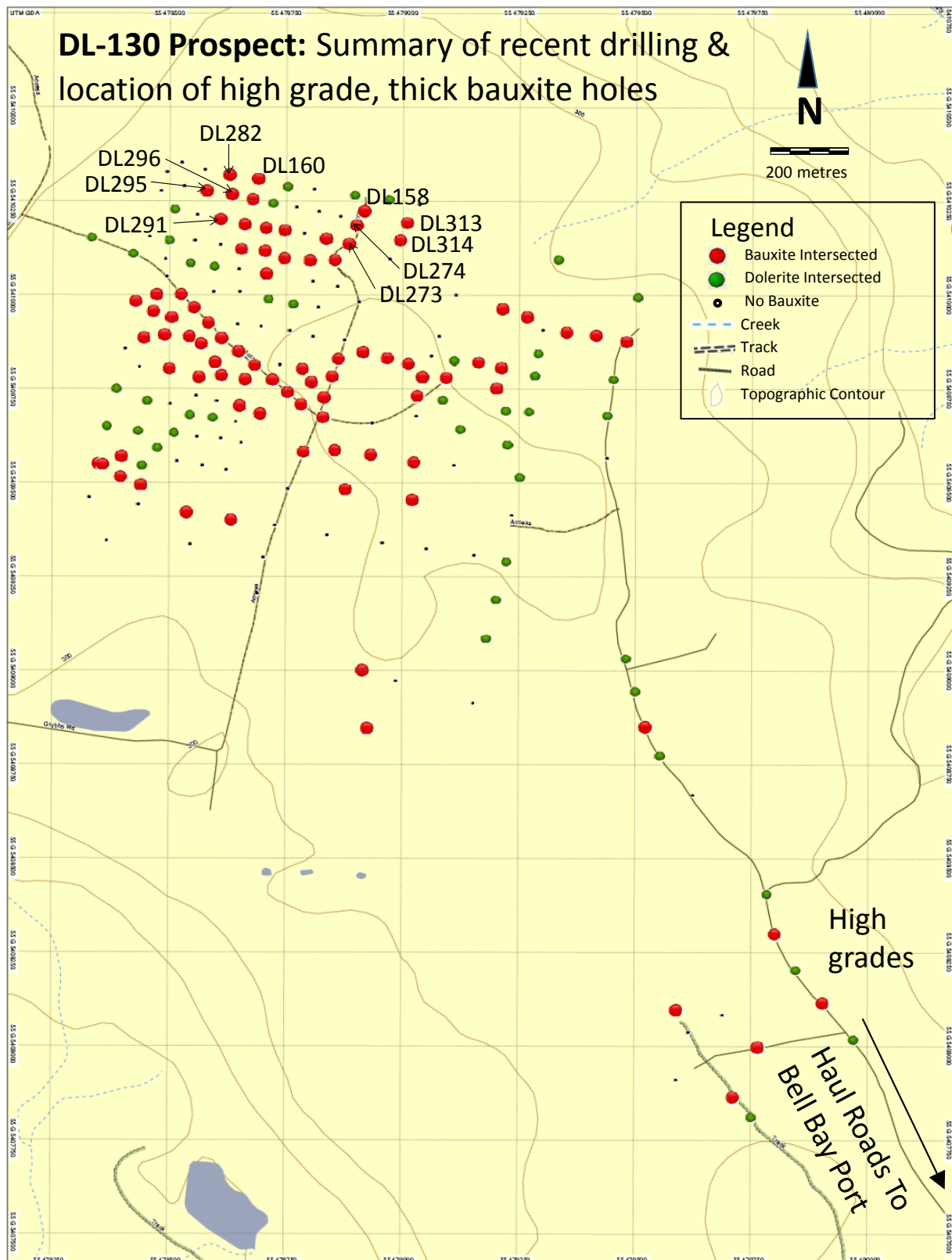


Figure 7. DL-130 Bauxite Prospect

DL-130 bauxite discovery zone & location of recent drill holes containing thick intercepts of high-grade bauxite

Tenement information required under LR 5.3.3.

Tenement No.	Location
New South Wales	
EL 6997	Inverell
EL 7361	Guyra
EL 7597	Merriwa - 2
EL 7598	Merriwa - 3
EL 7950	Merriwa Extension
EL 7858	Stannifer
EL 8097	Coolah
EL 8130	Old Mill
EL 7269	Windellama
EL 7279	Wingello West
ELA 4038	Wingello Extended
EL 7357	Taralga
EL 7681	Taralga Extension
EL 7912	Taralga 3rd Ext
EL 7986	Walla Mines
EL 7546	Penrose
Queensland	
EPM 17790	
EPM 17830	Haden
EPM 17831	Hillgrove
EPM 18014	Binjour
EPM 18772	Binjour Extension
EPM 19582	Binjour 2nd Ext

Tenement No.	Location
EPM 19742	Binjour 3rd Ext (Binjour South)
EPM 19169	Tellebang
ML 80126	Toondoon ML
EPMA 25146	Toondoon EPM
EPM 19390	Brovinia
Tasmania	
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
EL 4/2013	Tunross West 1
EL 5/2013	Tunross West 2
MLA 1961P/M	Bald Hill Bauxite

Note:

Tenement 7596 was relinquished in the Quarter.

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

Direct Shipping Bauxite or “Direct Shipping “Ore”

All references in this report to direct shipping bauxite or direct shipping ore (DSO) refers to the company’s exploration objective of defining or identifying DSO grade mineralisation as defined in Definitions below.

True Width

The true-width of the deposit is not known and will be determined by further resource definition drilling. Results to date and bulk-pit excavations suggest that down-hole thicknesses equal true width because deposits are flat lying.

Definitions

DSO bauxite	Bauxite that can be exported directly with minimal processing
Averaging method	Aggregated average grades quoted are length-yield-weighted averages of each metre’s yields & grades for screened samples or simple length-weighted averages for unscreened, raw in-situ bauxite samples.

Qualifying statement

The information in this announcement 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.

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 Resources. Mr Rebek and Mr Levy have consented to the inclusion in this announcement 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.



Figure 8. ABX Project Tenements and Major Infrastructure

APPENDIX

Tasmanian Bauxite Product Definition Sheet

As at April 2014

Chemistry	Total Al ₂ O ₃	38% to 43%
	Available Al ₂ O ₃	33% to 36% at 143 degrees C digestion (low temperature) 36% to 40% at 225 degrees C digestion (high temperature)
	Total SiO ₂	3.5% to 5%
	Reactive SiO ₂	2.5% to 4.5% at 143 degrees C (low temperature)
	Fe ₂ O ₃	23% to 28%
	TiO ₂	4%
	LOI	23% loss on ignition at +1,000 degrees C

Minerals	Gibbsite (trihydrate alumina)	55%
	Boehmite (mono hydrate)	less than 1.5%
	Kaolinite-halloysite clay	less than 8%
	Quartz	less than 2.5%
	Hematite	18%
	Goethite*	11%*
	Anatase	4%

* Goethite has no negative impacts on
 (1) settling rates of the mud;
 (2) overflow liquor clarities;
 (3) flocculent dosage rates; or
 (4) entrained Al₂O₃ (nil Al-entrainment in this goethite).

Moisture 10% or less

Sizing 90% passing 100mm : 90% + 7.5mm = coarse gravel

Organic Carbon 0.15% to 0.30% typical of Australian bauxite

Calcium below detection: maximum 0.05% CaO

Caustic soda consumption 140 to 200 kg NaOH per tonne alumina

Flocculent dosage to settle mud at 10 m/hr is low (< 100 g floc /tonne mud),

Overflow clarities are good, between 100 – 150 mg/L.