



ASX : ABZ

ASX ANNOUNCEMENT

3 June 2010

CEO Presentation at AMEC Convention

In accordance with the requirements of Listing Rule 3.1 we submit the attached material being presented this morning at the Association of Mining and Exploration Companies (AMEC) Convention 2010 being held in Perth WA.

Mr Ian Levy, CEO is making the presentation.

Australian Bauxite Limited (ABx) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 25 bauxite tenements in Queensland, NSW and Tasmania covering 6,600 km² were rigorously selected on 3 principles:

1. good quality bauxite;
2. proximity to infrastructure connected to export ports; and,
3. free of socio-environmental or native title land constraints.

All tenements are 100% owned and free of obligations for processing and third-party royalties. ABx has already discovered many bauxite deposits and new discoveries are still being made as knowledge and expertise grows.

The company's bauxite is high quality and can be processed into alumina at low temperature – the type that is in short-supply globally. At the company's first drilling prospect in Inverell, northern NSW, a maiden resource of 22 million tonnes has been reported from drilling less than 10% of the identified bauxite deposit. Australian Bauxite Limited aspires to identify between 200 and 300 million tonnes of bauxite in one of the world's best bauxite provinces.

ABx has the potential to create three state-significant bauxite processing projects in Queensland, New South Wales and Tasmania and also has several bauxite deposits that are favourably located for direct shipping of bauxite to export customers. The ABx discoveries of bauxite in Tasmania are yet to be evaluated by drilling but bauxite is confirmed to extend over relatively large areas.

Our business plan is to prove-up the largest tonnages of high quality bauxite resources of any comparable company and to market premium-priced bauxite products into the rapidly growing Asia-Pacific region (especially China) and the large eastern Australian aluminium industry.

For further information please contact

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AUSTRALIAN **BAUXITE** LIMITED

AMEC Conference Perth
03 June 2010

“Better Bauxite”

Bauxite is the ore for aluminium and alumina

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AUSTRALIAN **BAUXITE** LIMITED

Company Overview

- 25 tenements 6,600 km² in QLD, NSW & Tas 100% owned.
- >7,000 bauxite analyses, 355 drillholes totalling 4,150 metres
- Maiden resource 22 million tonnes of 5m to 9m thick, hi-quality bauxite at Inverell NSW from less than 10% of first deposit drilled
- Bauxite Ore is typically high quality (**similar to WA bauxite**):
 - High alumina 40%-50% Al₂O₃ ; High available alumina 35%-40% Al₂O₃
 - Low reactive silica: 1.5%-4% SiO₂ (ie. low clay contamination)
 - Alumina mineral is the best – Gibbsite (alumina-trihydrate “THA” only)
 - Coarse grained – simple processing & easy handling
- No restrictions on bauxite exports
- 80m shares @ 35 cents = A\$28m market capitalisation
- Cash balance at 28 May 2010 = A\$6.02 million
- Annual budget expenditure is A\$2.1m

Forward Looking Statement

Whilst based on information from sources considered reliable, Australian Bauxite Limited (ABx), its directors, employees and consultants do not represent, warrant or guarantee, expressly or impliedly, that the information in this document and presentation is complete or accurate. To the maximum extent permitted by law, ABx disclaims any responsibility to inform any recipient of this document and presentation of any matter that subsequently comes to its notice, which may affect any of the information contained in this document and presentation.

JORC and Competent Person Statement

Information herein relating to Exploration Results, Resources and Resource Targets is based on information compiled by Ian Levy BSc (Hons), MSc (Dist), who is a Fellow of The Australasian Institute of Mining and Metallurgy and a Fellow of the Australian Institute of Geoscientists. Mr Levy is employed by ABx as Chief Executive Officer. ABx is a subsidiary of Hudson Resources Limited.

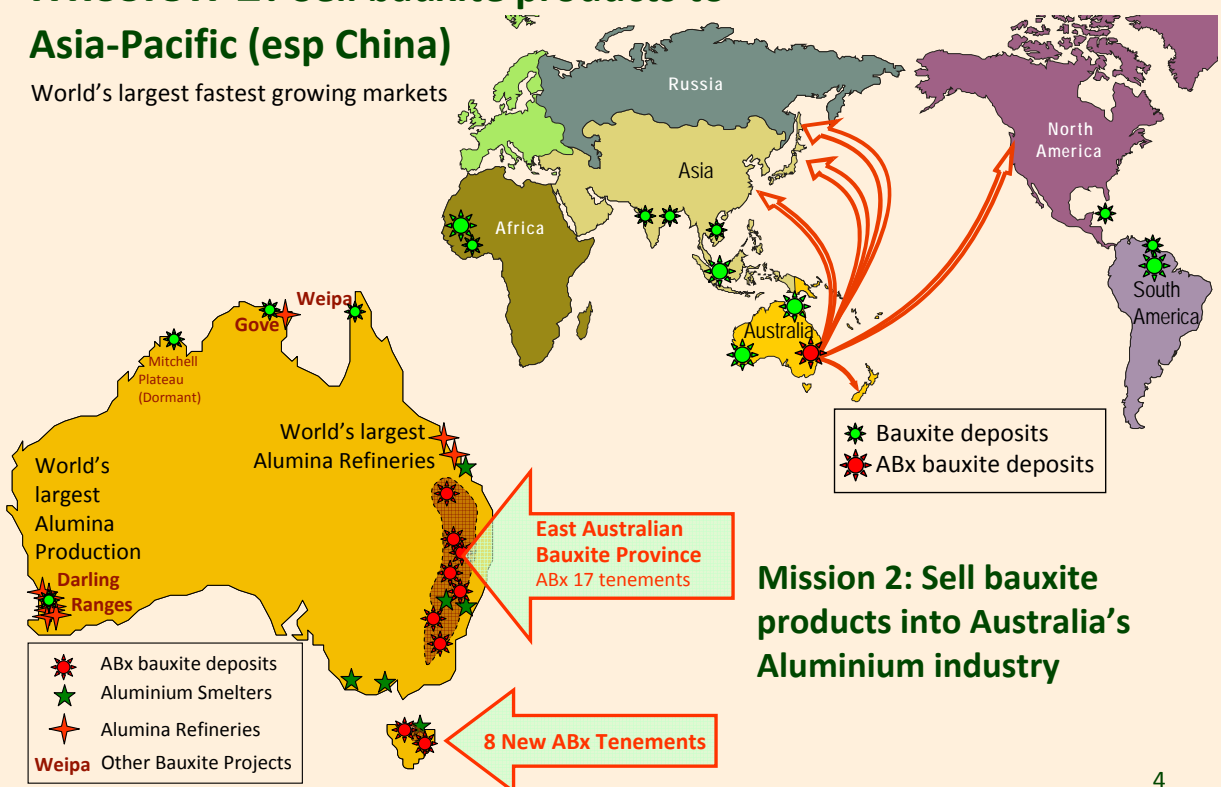
Mr Levy has more than five years experience relevant to the style of mineralisation and type of deposit being reported and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2004 Edition of the 'Australasian Code for Reporting of Exploration Results, Minerals Resources and Ore Reserves' (the JORC Code). This report is issued with the prior written consent of the Competent Person as to the form and context in which it appears.

Exploration Target Statement

ABx has an exploration target of 200 to 300 million tonnes of bauxite, based on the Maiden Mineral Resources announced in February 2010 of 22 million tonnes of bauxite from 118 drillholes drilled across an area that is less than 10% of the known bauxite deposits on a single Exploration Lease -EL 6997 at Inverell in northern NSW. In accordance with the JORC Code, readers are advised that "the potential quality and grade is conceptual in nature, that there has been insufficient exploration to define full Mineral Resources and that it is uncertain if further exploration will result in the determination of a Mineral Resource". Tenement EL 6997 was the first of 25 tenements to be drilled and ABx sees no reason to vary its exploration target.

Mission 1: Sell bauxite products to Asia-Pacific (esp China)

World's largest fastest growing markets

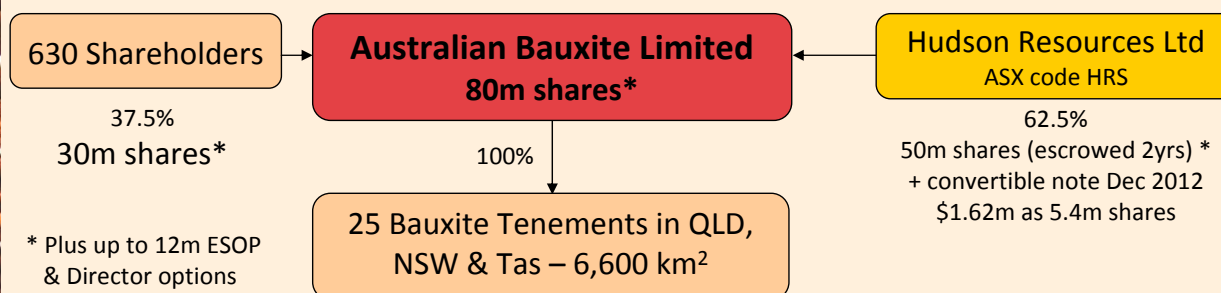


Mission 2: Sell bauxite products into Australia's Aluminium industry

Market Dynamics

- China is largest producer & consumer of aluminium metal
- China has little bauxite – relies on imports of bauxite & alumina
- Major aluminium companies (the “Big Al’s”) secured the world’s major bauxite occurrences in 1950-65 as a barrier to entry (like iron ore)
- China & north Asia must support or acquire new bauxite provinces
- Chinese bauxite import price sets a market price (like iron ore)
- Once market prices became more open, prices have risen steadily
- MAIN PRICE RISE IS YET TO COME IN BAUXITE – China must encourage major new suppliers of bauxite and alumina.
- China has intense competition from Europe, Russia, Brazil, Australia and Nth America to secure Australian bauxite resources.

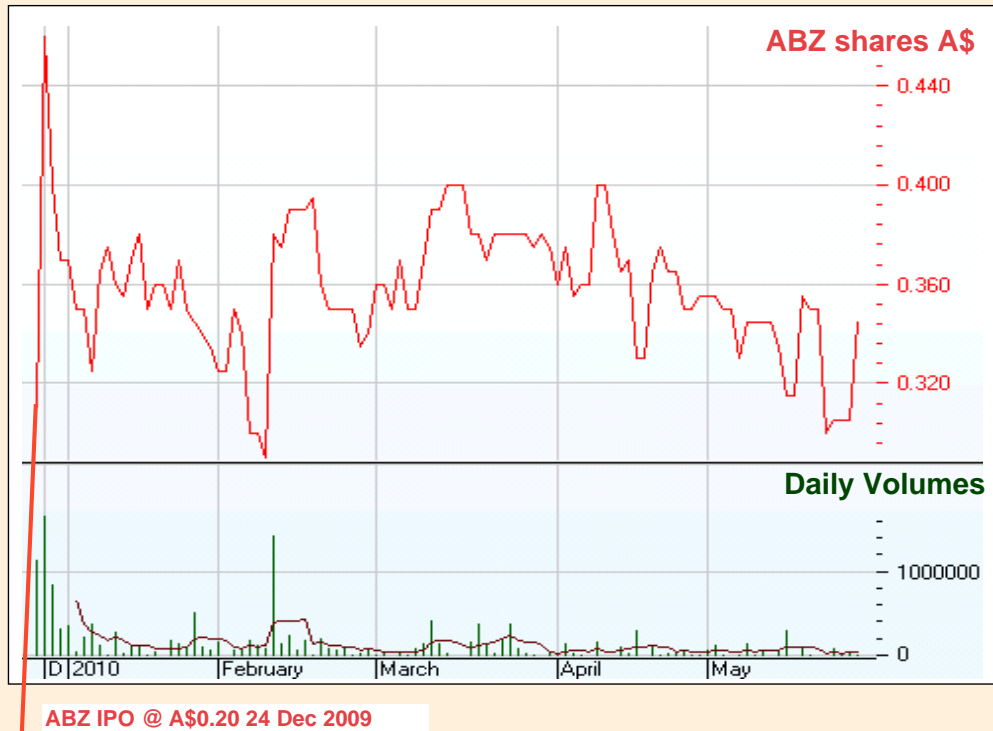
Corporate Structure



Management

- **Directors:** P Meers, I Levy, J Rebek, V Tan, W Huang
- **Secretary:** H Kinstlinger
- **Expertise:** Jacob Rebek – ex CRA (Rio) Chief Geologist
Exploration strategy & implementation
Discovered Eastern Australian Bauxite Province 2006-09
Dr Andy White – ex Comalco (Rio) Chief Geologist
Business Development

Share Performance: ABZ was 10th top performing IPO of 2009



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Strategy: 3 ways to success

1. Direct-Shipping Bauxite “DSO” early cashflows
 - Near-rail/ports. Southern NSW First? Central QLD?
 - Simple process: Dig, screen, ship
 - Potential customers/partners identified
2. Premium-Grade Bauxite (higher revenues)
 - Low-iron “white” bauxite, refractory grade bauxite:
 - Adds value, reduces freight
3. Alumina Refinery Project
 - Regional targets exceed 200 million tonnes bauxite
 - Major investment – needs strategic alliances
 - Potential partners identified

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4 Provinces – 8 Ports

SE QLD: Brisbane & Gladstone Ports

- 2 Alumina Refineries at Gladstone
- Aluminium Smelter at Gladstone

Nth NSW: Road-rail to Newcastle

- 2 Aluminium Smelters near Newcastle

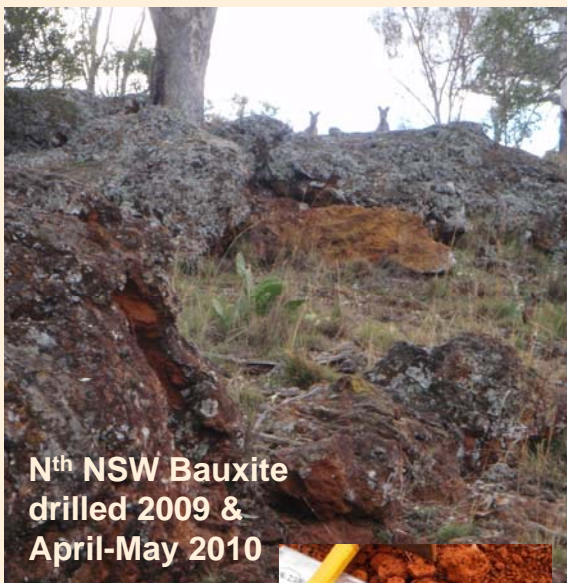
Sth NSW: Road-rail to Pt Kembla

- DSO Export



Tasmania – 5 Ports

- Aluminium Smelter at Bell Bay
- 2 Aluminium Smelters in Victoria



Nth NSW Bauxite drilled 2009 & April-May 2010

Inverell EL6997



Sth QLD Bauxite drilled May-June 2010

Haden EPM17830 in QLD: bauxite outcrop.

Major Discovery at Inverell – Nth NSW

The bauxite is typically:

- 5 to 9 metres thick: **thicker than most**
- 40% Al₂O₃ and 2.5% SiO₂ raw
- Gibbsite (alumina-trihydrate “THA”)
- Iron minerals haematite & limonite
- Upgrades easily to premium grades
- Uniform and extensive resource blocks
- 2010 drilling delivering similar results – 9.4m max. thickness bauxite.



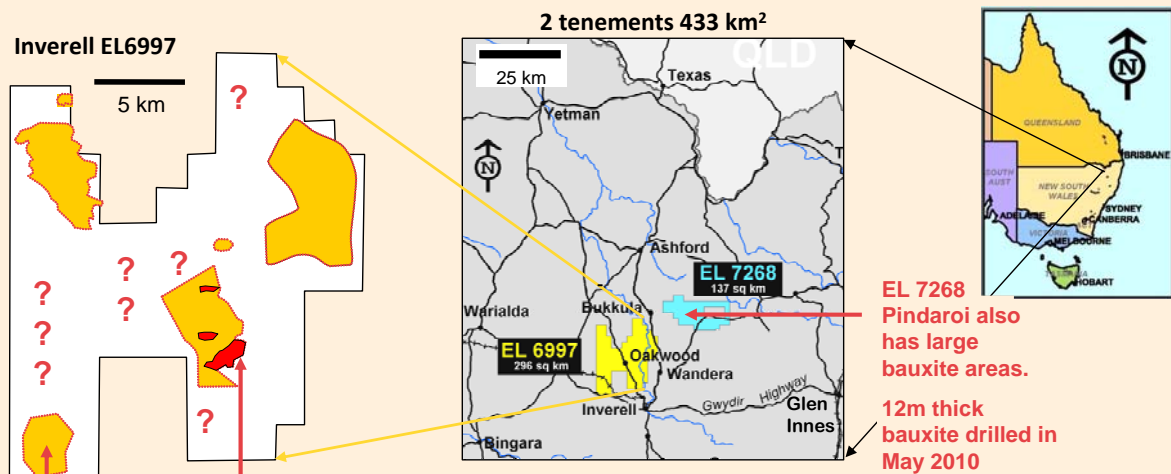
Exploration target 200 to 300 million tonnes*



Inverell EL6997

* Based on Maiden Resource from 118 holes drilled over less than 10% of the deposit areas. It is uncertain that additional Mineral Resources at similar grades will be confirmed until assays are received and estimation completed.

Inverell Maiden Resource Feb 2010: 22Mt bauxite from 2009 drilling of less than 10% of known bauxite area



Bauxite areas mapped & sampled to date (yellow - 90 km²)

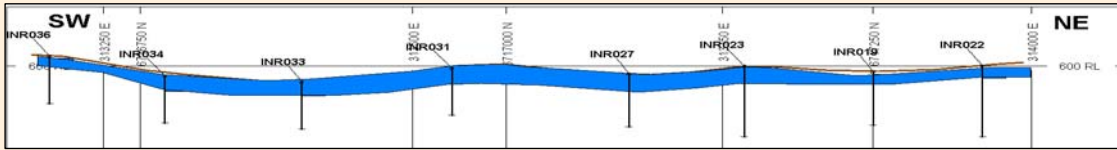
Maiden resource areas (red 3 km²)
22 million tonnes bauxite based on 118 drillholes

| MAIDEN RESOURCES | Tonnes millions* | Thickness metres | Al ₂ O ₃ % | SiO ₂ % | Fe ₂ O ₃ % | LOI % |
|------------------|------------------|------------------|----------------------------------|--------------------|----------------------------------|--------------|
| Indicated | 6Mt | 5.1m | 38.8% | 4.4% | 28.1% | 22.2% |
| Inferred | 16Mt | 5.2m | 37.8% | 6.5% | 27.7% | 20.8% |
| Total | 22Mt | 5.2m | 38.1% | 5.9% | 27.8% | 21.2% |

Cut-off grades applied: 2 metres minimum thickness, 32% minimum Al₂O₃ & 8% maximum SiO₂
Less than 10% of known deposit drilled at time of estimation.

Major High Grade Discovery at Inverell

- Bauxite layer typically 5 to 9 metres thick – relatively uniform
- At surface or beneath shallow soil horizon



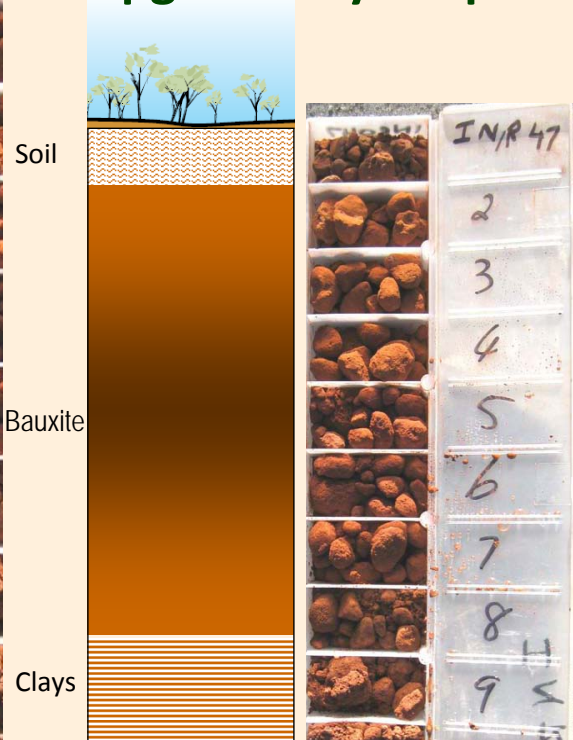
Deposit Setting: Extensive plateaus of bauxite in grazing farmland. Minimal overburden, easy access, near Inverell in a historic mining district

Drillhole 46: Sieved sample from 1 – 2m depth
47% Al₂O₃ 1.7% SiO₂ 21% Fe₂O₃ 26% LOI

Inverell EL6997

Upgrades by simple screening

Screening (typical hole INR47)



| Depth m | Total Al ₂ O ₃ %* | Total SiO ₂ %* | Total Fe ₂ O ₃ % | Screened Al ₂ O ₃ %* | Screened SiO ₂ %* | Screened Fe ₂ O ₃ % |
|---------|---|---------------------------|--|--|------------------------------|---|
| 1-2 | 41.2 | 9.1 | 22.4 | 45.7 | 2.6 | 22.5 |
| 2-3 | 40.6 | 4.2 | 25.2 | 40.6 | 1.9 | 29.3 |
| 3-4 | 38.8 | 4.2 | 25.3 | 42.2 | 2.1 | 24.1 |
| 4-5 | 36.3 | 3.2 | 28.8 | 40.0 | 2.2 | 25.5 |
| 5-6 | 39.7 | 3.0 | 26.6 | 44.6 | 1.9 | 22.2 |
| 6-7 | 41.4 | 2.8 | 24.4 | 44.2 | 1.8 | 20.9 |
| 7-8 | 38.2 | 7.9 | 26.3 | 46.0 | 2.1 | 20.7 |

* Reactive SiO₂ = 80% of raw & 91% of washed SiO₂
Available Al₂O₃ = 93% of Al₂O₃ raw & washed

2010 Drilling Progressing Well

- 162 new holes at Inverell, Nth NSW – similar results to previous 118 holes that generated 22 million tonnes Maiden Resource
- 9.5 metres maximum thickness at Inverell – consistent deposit
- 18 new holes at Pindaroi nearby located up to 12 metres of bauxite
- 75 new holes at Pechey bauxite deposit in Hampton, Sth QLD intersected up to 13 metres of bauxite – assays awaited
- Drilling is progressing ahead of schedule – 1000 holes in 2010 should be achieved.

Outlook

- Drill a further 550 holes into known bauxite deposits on 7 tenements by end of August 2010
- Commence Resource Estimation in July 2010
- Identify “promising” project areas – July & August 2010
- Commence discussions with potential partners in September 2010. Open-door to all potential partners – large balance sheets preferred
- Advise State Governments of progress – 3 state-significant projects
- Complete the 1000 holes target by mid December 2010
- Drilling Tasmanian bauxite deposits in Summer
- Further Resource Estimations commencing January 2011.



Pechey Bauxite Deposit Sth QLD
drilled May-June 2010

Pechey deposit EPM 17830 Sth QLD: **13m of bauxite drilled May 2010**

“Better Bauxite”



Geham Bauxite Deposit Sth QLD – being drilled June 2010