



ASX ANNOUNCEMENT

19 September 2017

AUSTRALIAN BAUXITE LIMITED

ASX: ABX

30,000 tonne bauxite shipment completed ahead of schedule. Additional Sale Confirmed

Bauxite producer, Australian Bauxite Limited (ABx) has completed the 30,000 tonne bauxite cargo and has invoiced the customer today. The customer will pay 90% of the invoice value immediately and the remainder on proof of weight via ship's survey.

Because this delivery has been completed 3 weeks ahead of schedule, an additional sale for 5,000 tonnes of a different cement-grade bauxite specification has been agreed and will be carried in a separate hold in the same ship.

This multi-product transport arrangement is how ABx can deliver bauxite of several specification in separate ships holds for delivery to separate customers, thus achieving cheaper transport costs per tonne and being able to service each customer's specific grade requirements.

The current contracts for land transport, port stevedoring, TasPorts and other logistics contracts have been extended for a week to transport this additional sale tonnage, again well ahead of the planned ship loading dates.

Specifications of the 30,000 tonne sale are as follows:

- Tonnage 30,000 tonnes +/- 10% (ie. 33,000 tonnes maximum)
- Product Cement-grade bauxite, blended to the customer's specification
- Source of Bauxite Bald Hill Bauxite Project, Campbell Town, Northern Tasmania
- Dispatch Port Bell Bay Port of Launceston, Tasmania (see Figure 1)
- Delivery date Before 30 September 2017 (COMPLETED 19 September 2017)
- Point of sale Free alongside "FAS" (ie. delivered to the ship's side)
- Ship loading Customer's account
- Basis of tonnes As measured by independent ship's survey
- Invoice dates 90% payable on delivery to berth
10% remainder payable on ship's survey tonnage.
- Payment Terms 7 days from invoice dates

Mine Site Operations

Stornoway Projects Pty Ltd has carried out the specialist operations at the mine site, including an important product assembly procedure that allows the blending of product to customer's specification.

Land Transport Arrangements

Dave Wagner & Son Pty Ltd has delivered the bauxite from the mine stockpile to port of Bell Bay ahead of schedule. Wagners transported the previous bauxite shipments and works well with all stakeholders.

Port Arrangements

QUBE Logistics at Bell Bay for the stevedoring services and the stockpiling arrangements, in conjunction with TasPorts.

ABx considers this consistent handling to be the best way to assure tight quality controls that ABx wishes to be known for in the market. Inspections by two customers' agents confirmed this.



ABx's CEO Ian Levy paid credit to the ABx marketing team, Operations Manager, Nathan Towns, COO Leon Hawker and Logistics Manager, Paul Glover; "The team reported progress daily to all parties, including the customer. ABx is blessed with over 70 years of marketing experience in its marketing team and has the in-house skills to carry out grade control to ISO standards."

ABx's Chief Operating Officer, Leon Hawker commented; "We have again confirmed our reputation of on-time delivery of large tonnage cargoes of bauxite produced and blended to customer's requirements. Bell Bay Port is an ideal export port for bulk-shipments of our bauxite and other products that can be co-shipped in large vessels. This is a core strength of our business." See Figure 2.

ABx's Logistics Manager, Paul Glover commented; "Our bauxite is well suited to being blended to customers' requirements and multi-product shipping is a new capability that we have been keen to demonstrate. Ours is a very clean bauxite due to efficient processing by Stornoway contractors at the Bald Hill mine and careful transport pit-to-port by Wagners, in close coordination with QUBE stevedores and TasPorts."

Our customers appreciate that:

ABx bauxite is the best favour they can do for themselves and their cement plant.

This sale is a continuation of ABx's ongoing business, which is due to be expanded by additional purchasing from several offshore centres, subject to appropriate currency exchange rates.

Fertiliser Sales Recommended

ABx's sales into the fertiliser industry have recommenced over the past month and will continue at a low tonnage but continuous rate for the rest of the year.

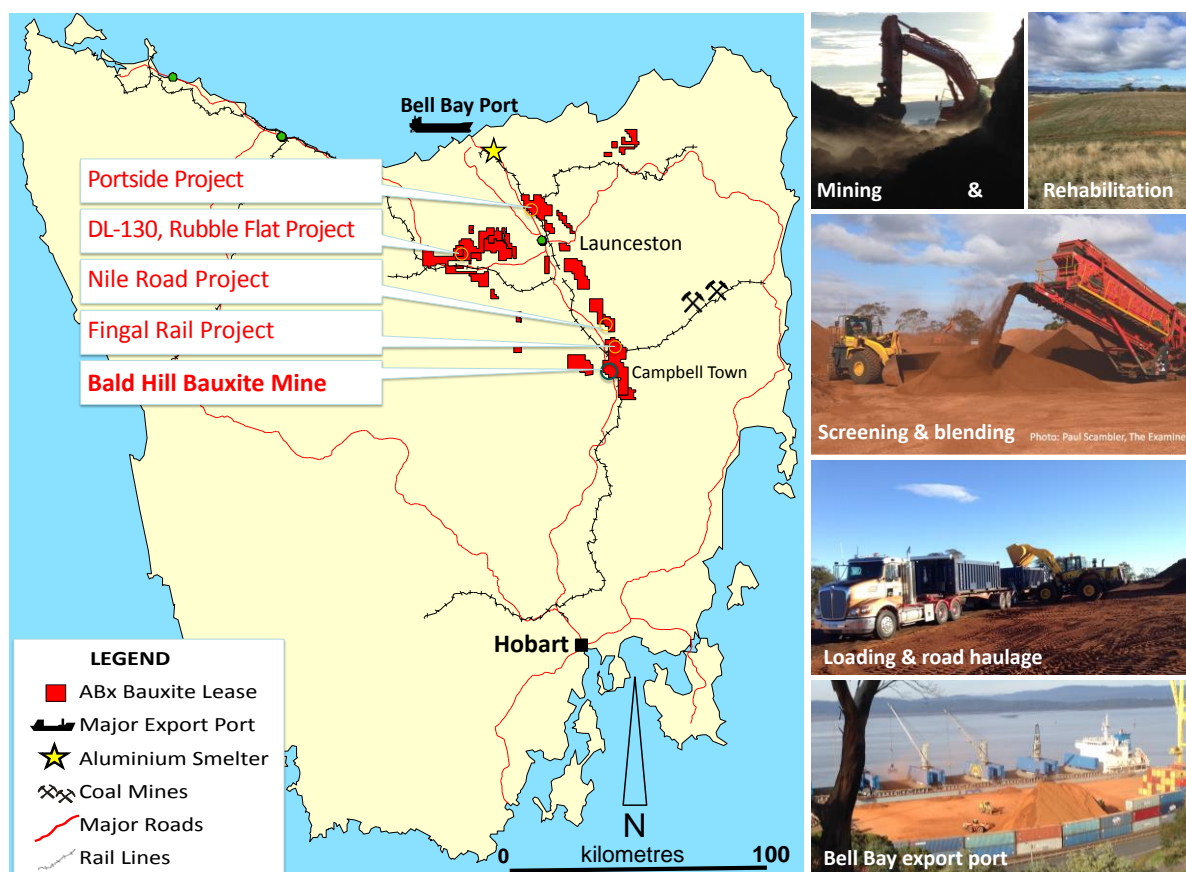


Figure 1: Locations of ABx bauxite mines, projects and transport infrastructure in Tasmania

Bald Hill Mine Tasmania



Bauxite types ready for blending



Blending to customer's specifications



Bauxite product ready for trucking



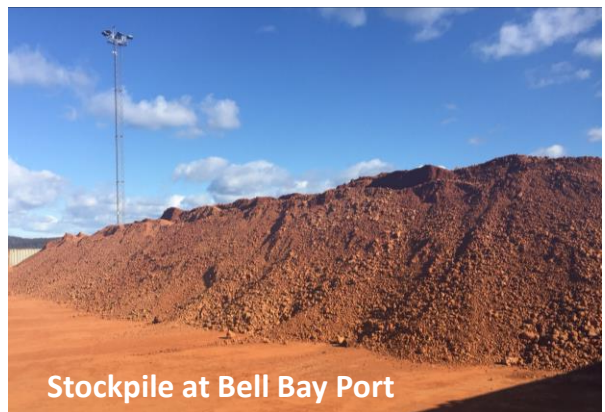
Truckloading at Bald Hill Mine



Trucking from mine to Bell Bay Port



Delivery to Bell Bay Port Stockpile



Stockpile at Bell Bay Port

Figure 2: ABx supply chain operations from pit to mine stockpiles, blending, transport and stockpiling at Bell Bay Port.



Figure 3: ABx blends the product at the mine site and loads onto the port stockpile to maximise mixing during reclamation and ship loading. During ship loading at Bell Bay and again at unloading, this stockpile will be mixed further, thus providing a consistent product. Note that the containers in the background are used by the Stevedoring company as a dust barrier to avoid cross-contamination with other cargoes and are not involved in the bulk shipment of ABx bauxite.

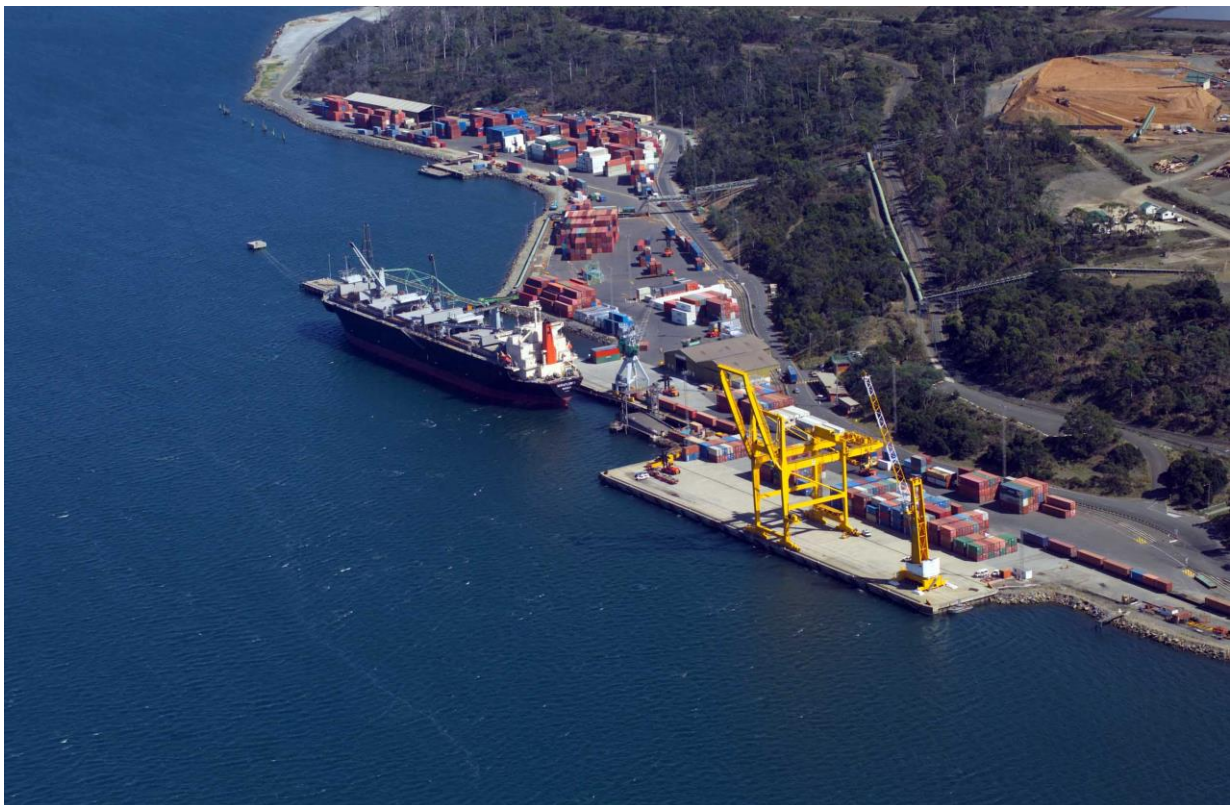


Figure 4: Bell Bay Port. The current ABx bauxite stockpile is located at Berth 7 where the containers are in this photo

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 22 bauxite tenements in Queensland, New South Wales & Tasmania exceed 1,975 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 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.

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 aspires to identify large bauxite resources in the Eastern Australian Bauxite Province, which is a globally significant bauxite province. 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 & Officers

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|-------------------|---------------------------------|
| Paul Lennon | Chairman |
| Ken Boundy | Director |
| Ian Levy | CEO & MD |
| Henry Kinstlinger | Company Secretary |
| Leon Hawker | Chief Operating Officer |
| Jacob Rebek | Chief Geologist |
| Paul Glover | Logistics & Exploration Manager |

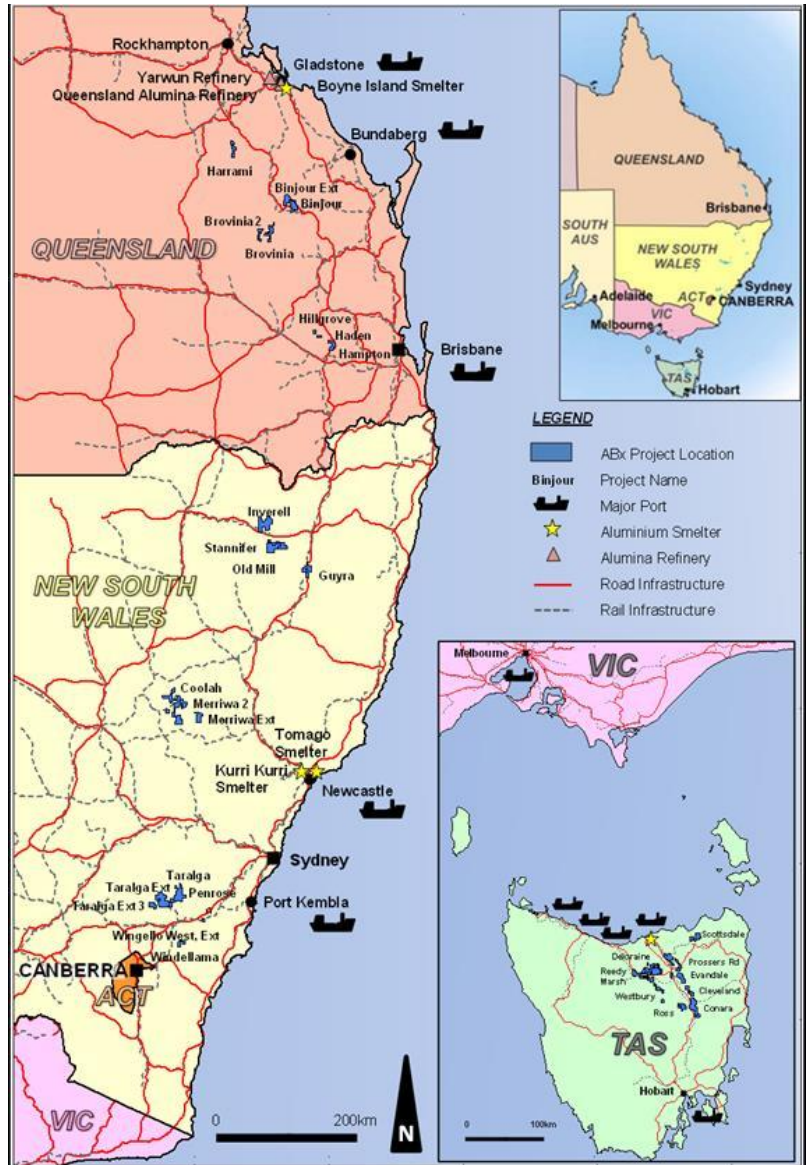


Figure 5

ABx Project Tenements and Major Infrastructure in Tasmania, NSW & QLD, Eastern Australia

For further information please contact:

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