AUSTRALIAN **BAUXITE** LIMITED
ASX: ABX

**About Australian Bauxite Limited**
**ASX Code ABX**

Australian Bauxite Limited (**ABx**) has started its first bauxite mine in Tasmania and holds the core of the Eastern Australian Bauxite Province. ABx's 37 bauxite tenements in Queensland, New South Wales & Tasmania exceed 5,000 km$^2$ and 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 (THA) bauxite & can be processed into alumina at low temperature – the type in short-supply globally.

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.

In Tasmania, at Bald Hill, the Company's first bauxite mine commenced operations on schedule on 9 December 2014 – the first new Australian bauxite mine for more than 35 years, with the first two shipments targeted for 2015.

ABx aspires to identify large bauxite resources in the Eastern Australian Bauxite Province, which is emerging as 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**

| | |
|---|---|
| Paul Lennon | Chairman |
| Ian Levy | CEO & MD |
| Ken Boundy | Director |
| | |
| Leon Hawker | Chief Operating Officer |
| Rob Williams | General Manager |
| Jacob Rebek | Chief Geologist |
| Henry Kinstlinger | Secretary |
| Julian Rockett | Secretary |

**ASX Symbol:** **ABX**
**Website:** http://www.australianbauxite.com.au

## QUARTERLY REPORT TO 30 SEPTEMBER 2015

Quarterly report & activities statement dated 29 October 2015 for 3 months to 30 September 2015.

### PRINCIPAL POINTS

#### Corporate

- Bauxite business alliance established
- Group available cash at 30 September 2015 was in the order of $1.5 million.
- Current cash balance is in the order of $1.3 million with a further $1 million unused lines of credit for working capital as sale tonnages increase over coming months.
- Maiden bauxite shipment ~42% $Al_2O_3$ November 2015

### Operations & Exploration

#### Bauxite business alliance established (ASX 31 August 2015)

- ABx announced it has established a business alliance with Rawmin Mining and Industries Pvt Ltd of Mumbai, India. ABX is targeting 300,000 Mt of bauxite shipped through to April 2016 for supply to Rawmin, with actual tonnage subject to the successful ramp up of production in Tasmania.
- **Production rates at Bald Hill** mine have accelerated during warmer weather and bauxite product stockpiles at Bell Bay have reached tonnages needed to commence shipments.
- **Maiden bauxite shipment** of 30,000Mt is currently scheduled for early November 2015.
- R&D has discovered an all-weather technology (dubbed "Tassie Technology") that can produce high-grade bauxite at good tonnage rates all year round in 2016.

#### Bauxite discovery at Brovina near Binjour in Queensland (ASX 7 September 2015)

- ABx has received consistently high grade assays from surface samples over a wide area at Brovina tenements recently granted in an area suitable for mine development once all socio-environmental assessments are completed.
- Discovery of a large new plateau capped with bauxite confirms ABx's assessment of Binjour project as a state-significant new bauxite province with potential to become the flagship project for ABx over the next few years.

#### Bell Bay port stockpile building for 1st shipment

- TasRail has railed 1,100 tonnes of bauxite product per day to Bell Bay where it is unloaded and stacked by Qube Ports onto the port stockpile which now exceeds 30,000 tonnes.

#### Tenement status

- All tenements are in good standing & 100% owned.

#### Bauxite Market

- Market for quality-assured bauxite remains robust and the Australian dollar exchange rate remains favourable.

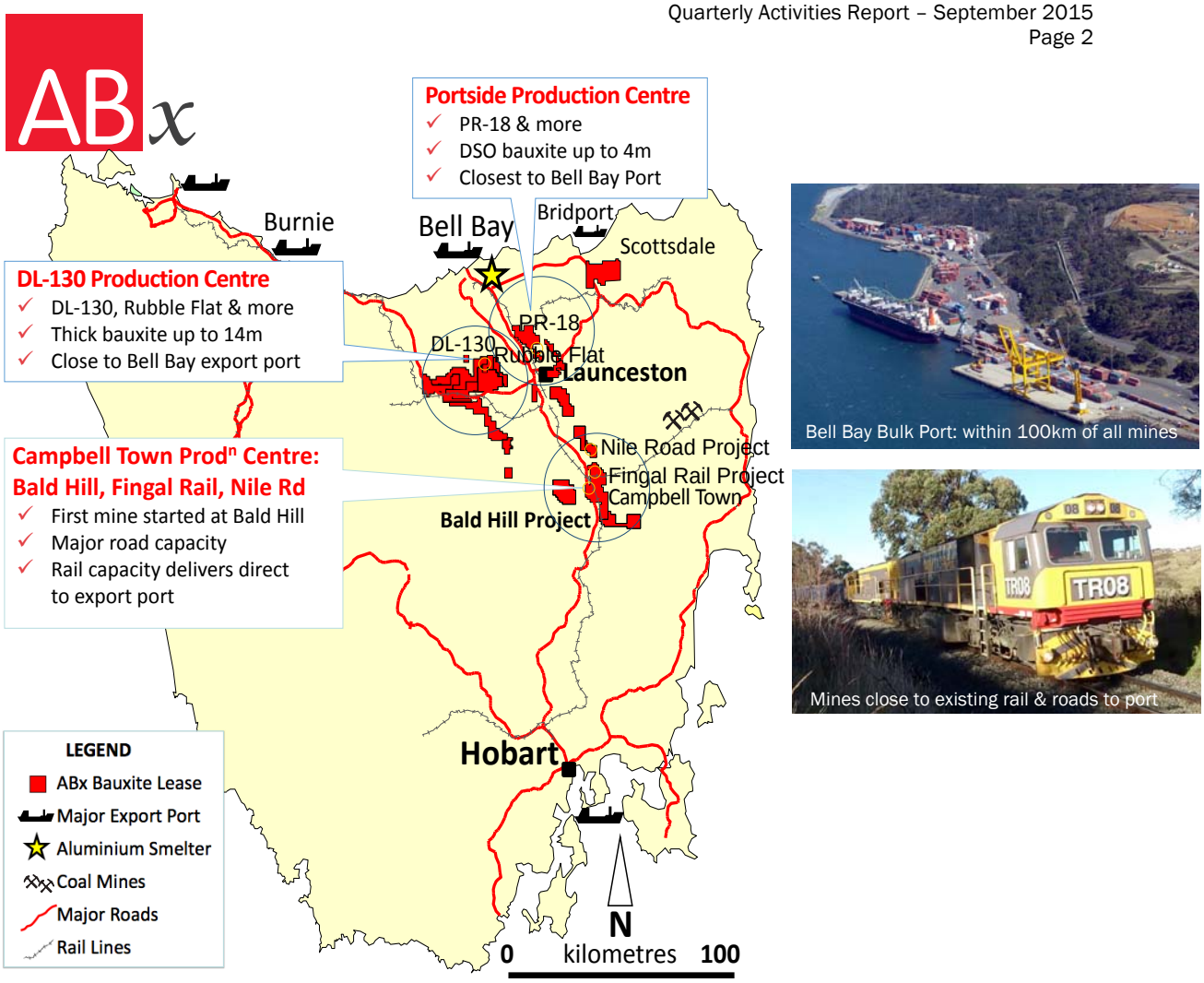



**Figure 1:** **location of Bald Hill Project, 3 Bauxite Production Centres (Campbell Town, DL-130 & Portside), development prospects & Tasmanian infrastructure**

## Mine Operations

Australian Bauxite's first bauxite mine operations have overcome unseasonably cold weather during the quarter to commence railings of good quality bauxite to Bell Bay export port in northern Tasmania.

| Project summary: cumulative to date | | 6 months to 30 June 2015 | To 30 September 2015 | To 26 October 2015 |
|---|---|---|---|---|
| Ore mined | tonnes ore | 115,000 | 145,000 | 150,000 |
| Screened | tonnes ore | 51,000 | 88,000 | 102,000 |
| Produced | tonnes bauxite | 20,000 | 46,000 | 52,500 |
| | & tonnes stored* | 17,000 | 23,900 | 20,600 |
| Mine stockpile | tonnes bauxite | 15,500 | 13,900 | 2,600 |
| Port stockpile | tonnes bauxite | 4,000 | 8,800 | 24,000 |
| In transit | tonnes bauxite | 0 | 3,000 | 2,600 |

* Stored bauxite to be rescreened, mainly in Summer

### Mining – ahead of schedule

Mining is ahead of schedule, with the ore being free diggable as planned. The mining and stockpiling sequence was adjusted during the quarter to allow wet ore zones to aerate and de-ice to enhance screening until production rates increased significantly as the weather warmed in late September.

Ore tonnages mined to date are more than sufficient to meet proposed shipping schedule and will continue to be so. The grade of bauxite from pits MB3 was as expected, grades from pit MB6 was below expectation due to higher iron and grades of bauxite from the larger pit MB5 and from MB2 are exceeding expectations. The largest and best grade orebody at Bald Hill, MB4 is now in production and will be the main ore source this coming summer. Rehabilitation of mined-out areas has begun.

| Mining summary: cumulative to date | | 6 months to 30 June 2015 | To 30 September 2015 | To 26 October 2015 |
|---|---|---|---|---|
| Soil removed & stored | tonnes ore | 12,000 | 20,000 | 20,000 |
| Overburden relocated | tonnes ore | 8,500 | 14,000 | 14,000 |
| Ore mined | tonnes bauxite | 115,000 | 145,000 | 150,000 |
| Transitional & detrital | tonnes stored* | 22,000 | 27,300 | 29,000 |

* Stored bauxite to be rescreened, mainly in Summer

**Figure 2:**

**High grade face of bauxite ore, Pit MB5, opened in May 2015 at the beginning of the unusually harsh and damp winter of 2015**

**Figure 3: Bald Hill Bauxite Project, June 2015 on a sunny day in a generally damp winter**

Stripping of soil over Pit MB4 nearing completion.

Ore stockpiles and partially screened "work-in-progress" awaiting warmer weather.

Soil is stored at the margins so that rehabilitation of Pit MB6 can commence in Spring

**Figures 4 & 5: Bench mining pit MB3. Feeding dried ore to screen at MB5**

## Screening – increased production rates during warmer conditions

Since the third week of September, work-in-progress stockpiles have been increasingly rescreened and are producing above-specification product bauxite. Screening is no longer the main constraint on tonnages ready for sale.

| Screening summary (includes some bauxite not requiring screening) | | 6 months to 30 June 2015 | To 30 September 2015 | To 26 October 2015 |
|---|---|---|---|---|
| Screened | tonnes ore | 51,000 | 88,000 | 102,000 |
| Product produced | tonnes ore | 20,000 | 46,000 | 52,500 |
| plus | tonnes stored* | 17,000 | 23,900 | 20,600 |
| Mine stockpile | tonnes bauxite | 15,500 | 13,900 | 2,600 |
| Port stockpile at Bell Bay | tonnes bauxite | 4,000 | 8,800 | 24,000 |
| In transit by train | tonnes bauxite | 0 | 3,000 | 2,600 |

* Stored bauxite to be rescreened, mainly in Summer

**Figure 6:**

**"Big Red" & "Li'l Red Tandem Screens**

As the weather improves, "Big Red" screen is increasingly producing high grade bauxite product in a single pass and "Li'l Red" screen is rescreening stored "work-in-progress" stockpiles.

## Transport – operated smoothly by TasRail




**Figures 7, 8 & 9:**

**TasRail transport operations have run seamlessly, pit to port**

## Port logistics – efficient stevedoring by QUBE Ports using new technologies


**Figure 10:**

**Qube's tipping frame tips 22 tonnes of bauxite from the rail container directly into the feed hopper of the Telestacker ship loader which also does the radial stacker duties.**

**Note dust suppression shroud device works well**

**Figure 11:**

**Long-reach radial stacking allows bauxite to be stacked high and peaked to minimise rain penetration and to optimise port area being occupied by the stockpile.**

**Note dust suppression shroud device works well**


**Figure 12:**

**Bauxite stockpile at Bell Bay Port on 18 October 2015.**

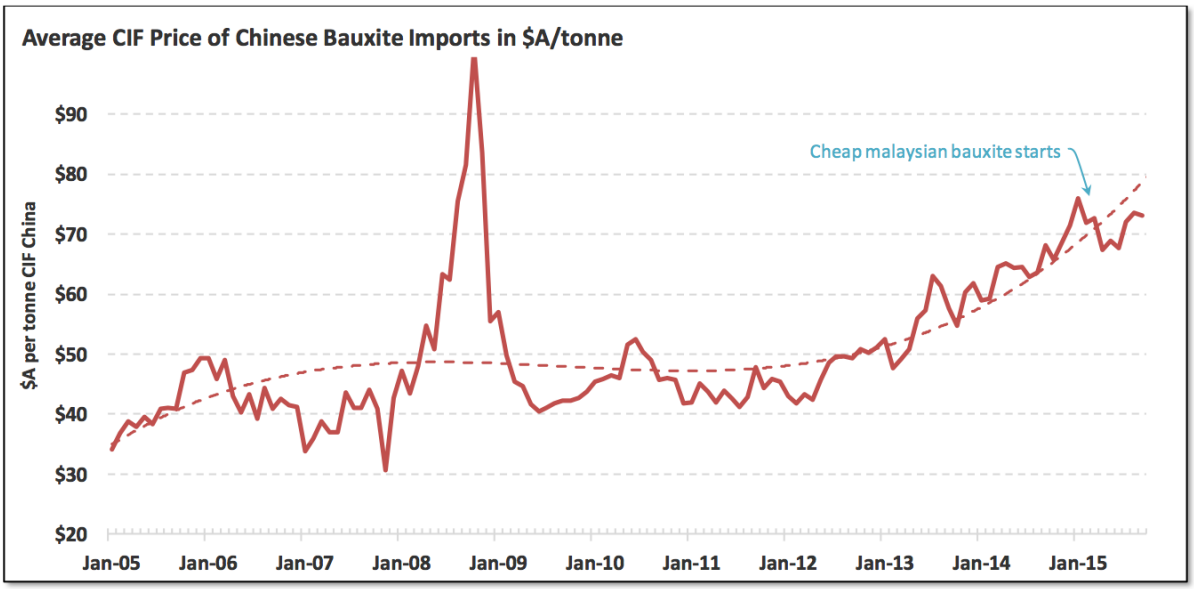
**Note: wall of empty containers is used as a wind break and stockpile demarcation.**

**Note: rail entering into Bell Bay Port is in the foreground and it connects to the rail immediately adjacent to the bauxite stockpile.**

**Ships will berth at the concrete wharf and be loaded by the large Telestacker ship loader**

## Bauxite Market to 30 September 2015: China's bauxite imports rise strongly and prices of Indian bauxite sold into China remain strong

- Tonnages imported jumped to 6.814Mt in September up 49% from August and up 39% year to date.
- Average prices CIF China fell 2.6% to US$51.22/t & stayed above A$73.07/t despite large tonnages of cheap Malaysian bauxite reducing average CIF prices. September was a month of market growth.
- Indian bauxite price (ABx's benchmark) rose 0.2% to US$63.43/t & by 2.2% in A$ terms to A$90.49/t.

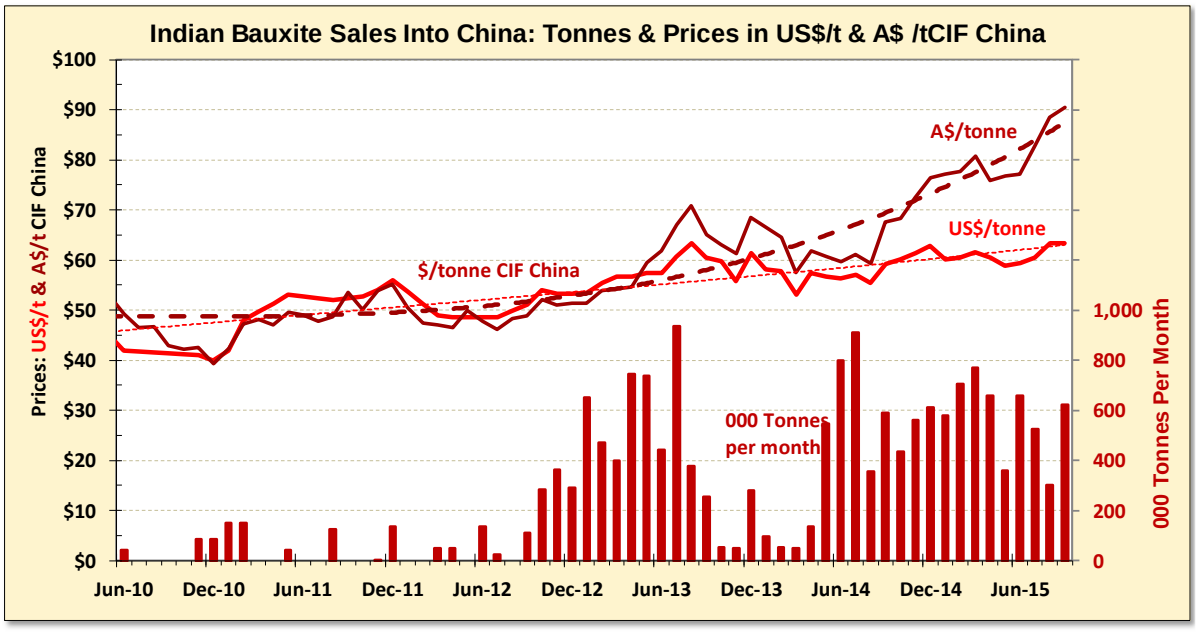



**Indonesian** bauxite bans continue and compromise is starting **much slower** than predicted by ABx.

**Australia:** Rio sold a record 2.09Mt in September and Australian prices firmed 0.25% to US$53.35/t.

**Indian** export bauxite prices **remained very strong**, rising 0.2% to US$63.43/t, a benchmark reference price for ABx bauxite. Indian-type gibbsite-trihydrate bauxite is needed to offset negative process effects from cheaper bauxite. In A$ terms, Indian bauxite prices **rose 2.2% to A$90.49**/t at an A$ - US$ exchange rate of 70.1 cents in September.

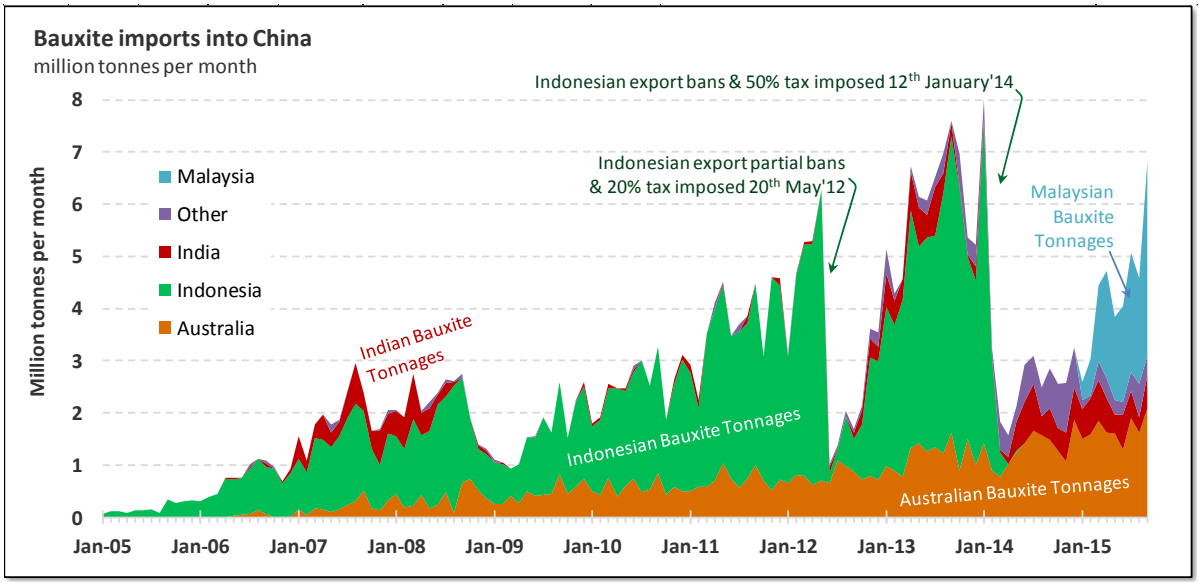
**West African** bauxite re-entered the Chinese market at highest prices up to US$95.55/t from Ghana but none from Guinea in September. These prices are unrealistically high, as China diversifies supply.




### Short-term consequences of Malaysian bauxite

Cheap Malaysian bauxite is flooding into China but Chinese refineries need blending-quality bauxite to offset the resulting processing problems. Malaysian bauxite is not a long-term solution for China.

Australian and Indian bauxite prices remain firm, especially the Indian prices as shown above which are rising steadily. ABx will market an Indian-type bauxite.




**Gibbsite-trihydrate bauxite demand has tightened most – Technical Explanations**

Gibbsite-rich trihydrate bauxite like Indonesian, Indian, Gove and ABx bauxite, is premium-priced because it is "low-temperature" bauxite, often called THA or gibbsite-rich trihydrate bauxite that is processed at 140°C. Other bauxite can be "high-temperature" bauxite, often called MHA or monohydrate bauxite that must be processed at 250°C. Chinese domestic bauxite is exceptionally refractory MHA monohydrate bauxite that can only be processed in very high temperature refineries at 260-300°C.

Low-temperature refineries must use gibbsite-rich, THA trihydrate bauxite to achieve the cost benefits of the low-temperature refining process at 140-150°C. Gibbsite is alumina trihydrate mineral which dissolves at 140°C whilst the MHA-monohydrate bauxites contain the alumina monohydrate mineral called boehmite which dissolves at 240°C. Chinese domestic bauxite is rich in the alumina monohydrate mineral diaspore which dissolves at 290° to 300°C in very high-temperature, high cost refineries.

ABx bauxite is also valued for its low levels of $SiO_2$ – a major contaminant problem in many bauxite ores which consumes substantial amounts of caustic soda and causes other processing problems. ABx bauxite is "clean" - free of radioactivity, CaO, $P_2O_5$ and all deleterious elements.

China has several large, low-temperature alumina refineries which initially relied on imports of low-temperature gibbsite bauxite from Indonesia. In 2013 China imported 72 million tonnes of bauxite, of which 49 million tonnes or 68% came from Indonesia. Indonesian bauxite exports ceased in January 2014.

In 2014-15, China imported only 39 million tonnes (nil from Indonesia), but needs more than 65 million tonnes of imported bauxite per year, rising even higher to more than 75 million tonnes in the next 5 years to feed its rapidly growing aluminium industry.

Many new sources of supply are needed and Australia is the logical country for new suppliers. ABx has assembled its maiden shipment of trihydrate gibbsite bauxite from Bell Bay Tasmania and has selected its long-term customer. ABx has instituted a rigorous quality-control procedure to deliver guaranteed quality.

**Australian Bauxite Limited plans** to ship low temperature, gibbsite bauxite with low $SiO_2$ from its Tasmanian mines and eventually building a very large bauxite project at Binjour in central QLD, 115kms inland from Bundaberg to export exceptionally high quality gibbsite-trihydrate bauxite.

ABx aspires to become the third largest single supplier of bauxite into China and will possibly also sell into India, the Middle East and Australia over the next 6 years, specialising in the gibbsite-rich trihydrate bauxite market niche.

ABx's emergence will help make Australia a reliable supplier of all types of bauxite for the seaborne bauxite trade in the Pacific Basin. ABx will differentiate itself as an all-year round consistent supplier of clean gibbsite trihydrate bauxite that can improve the blend with all other bauxites.

## Resource Statement, Definitions and Qualifying Statement

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. The Mineral Resources have increased since December 2013 following declaration of the Mineral Resources at Campbell Town Area, Tasmania on 24 March 2015.

### ABx JORC Compliant Resource Estimates

| Region | Resource Category | Million Tonnes | Thick-ness | $Al_2O_3$ | $SiO_2$ | A/S | $Fe_2O_3$ | $TiO_2$ | LOI | $Al_2O_3$ Avl @143° C | Rx $SiO_2$ | Avl/ Rx | Lab Yield | O'Burden | Int. Waste |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | *mt* | *m* | *%* | *%* | *ratio* | *%* | *%* | *%* | *%* | *%* | *ratio* | *%* | *m* | *m* |
| CAMPBELL TOWN | Inferred | 1.8 | 3.0 | 42.6 | 3.5 | 12 | 25.4 | 3.5 | 24.6 | 36.7 | 3.0 | 12 | 50 | 2.1 | 0.1 |
| AREA TASMANIA [7] | Indicated | 1.7 | 3.2 | 42.5 | 3.2 | 14 | 26.4 | 3.0 | 24.5 | 36.2 | 2.8 | 14 | 55 | 1.8 | 0.1 |
| | Total | 3.5 | 3.1 | 42.5 | 3.3 | 13 | 25.9 | 3.3 | 24.5 | 36.5 | 2.9 | 13 | 52 | 2.0 | 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 | 9.2 | 3.5 | 43.5 | 3.9 | 11 | 24.0 | 3.2 | 24.8 | 37.2 | 3.1 | 12 | 54 | 1.7 | 0.1 |
| BINJOUR QLD [2] | Inferred | 9.0 | 3.9 | 43.7 | 4.5 | 10 | 22.4 | 3.6 | 24.2 | 38.0 | 3.8 | 10 | 59 | 8.2 | 0.3 |
| DSO | Indicated | 15.5 | 5.3 | 44.2 | 3.1 | 15 | 23.4 | 3.7 | 24.9 | 39.5 | 2.6 | 15 | 62 | 9.4 | 0.3 |
| | Total | 24.5 | 4.8 | 44.1 | 3.6 | 12 | 23.1 | 3.7 | 24.6 | 39.0 | 3.0 | 13 | 61 | 8.9 | 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** | | **119.1** | | | | | | | | | | | | | |

* PDM is $Al_2O_3$ spinel. $Al_2O_3$ 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.

Tabulated Resource numbers have been rounded for reporting purposes. The Company conducts regular reviews of these Resources and Reserve estimates and updates as a result of material changes to input parameters such as geology, drilling data and financial metrics. **Global Mineral Resources declared to 24/03/2015 total 119.1 million tonnes.** Explanatory notes and prior resource statements are summarised as follows:

*Avl $Al_2O_3$ = available $Al_2O_3$ at 143°C Rx = reactive $SiO_2$, Avl/Rx = available alumina to reactive silica ratio, A/S = alumina/silica ratio, LOI = loss on ignition, OB = overburden, Int W = internal waste, DSO = Direct Shipping Bauxite, PDM = poorly diffracting material (under XRD), Lab Yield = wet screen yield from drill dust*
*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, 24.5 million tonnes announced on 29/06/2012*
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*

### Governance arrangements and internal controls – Mineral Resources

ABx has ensured that the Mineral Resource estimates quoted above are subject to governance arrangements and internal controls. The resource estimates have been externally derived by an independent consulting organisation whose staff have exposure to best practice in modelling and estimation techniques. Geology models have been generated by ABx staff and have been reviewed by the external resource consultant. The consultant has also carried out reviews of the quality and suitability of the data underlying the Mineral Resource estimate. In turn, ABx management and executives have carried out numerous internal reviews of the Mineral Resource estimate to ensure that it honours the ABx geological model and has been classified and reported in accordance with the JORC Code (2004) and in the case of Tasmania in accordance with the JORC Code (2012).

ABx confirms in this report that it is not aware of any new information or data that materially affects the information included in the previously released reports. In the case of estimates of Mineral Resources or Ore Reserves, the company confirms that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed.

### 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.

### True Width

The true-width of the deposit is not known and will be determined by further resource definition drilling.

### Definitions

| | |
|---|---|
| DSO bauxite | Bauxite that can be exported directly with minimal processing |
| Averaging method | Aggregated average grades in the tables are length-weighted averages of each sample's length & grades. |

### Qualifying statements

#### General

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.

#### Mainland

The information relating to Mineral Resources on the Mainland was prepared and first disclosed under the JORC Code 2004. It has not been updated since to comply with the JORC Code 2012 on the basis that the information has not materially changed since it was last reported.

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 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Reserves. Mr Rebek and Mr Levy have consented in writing to the inclusion in this report of the Exploration Information in the form and context in which it appears.

#### Tasmania

The information relating to Exploration Information and Mineral Resources in Tasmania has been prepared or updated under the JORC Code 2012.

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 Reserves. Mr Rebek and Mr Levy have consented in writing to the inclusion in this report of the Exploration Information in the form and context in which it appears.

**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 7950 | Merriwa Extension |
| EL 7858 | Stannifer |
| EL 8097 | Coolah |
| EL 8130 | Old Mill |
| EL 7269 | Windellama |
| EL 7279 | Wingello West |
| EL 8370 | Penrose Forest |
| EL 7357 | Taralga |
| EL 7681 | Taralga Extension |
| EL 7546 | Penrose |
| **Queensland** | |
| EPM 17790 | Hampton |
| EPM 17830 | Haden |
| EPM 17831 | Hillgrove |
| EPM 18014 | Binjour |
| EPM 18772 | Binjour Extension |
| ML 80126 | Toondoon ML |
| EPM 25146 | Toondoon EPM |
| EPM 19390 | Brovinia |
| EPMA 19427 | Bronvinia 2 |
| EPM 25787 | Harrami |
| | |
| **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 |
| ML 1961 P/M | Bald Hill Bauxite |
| EL 18/2014 | Prosser's Road |

**Note:**

During the quarter, no tenements were granted, acquired or disposed

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

**Qualifying statement**

The information in this announcement that relate to Exploration Information is 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.

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**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.

# APPENDIX

## Tasmanian Bauxite Product Definition Sheet

As at October 2015

| | | |
|---|---|---|
| **Chemistry** | Total $Al_2O_3$ | 40% to 45% (increasing in subsequent years) |
| | Total $SiO_2$ | 3% to 6.5% |
| | $Fe_2O_3$ | 23% to 28% (will decrease with Tassie Technology) |
| | $TiO_2$ | 2.7% to 3.4% (will decrease with Tassie Technology) |
| | LOI $_{1000}$ | 22% to 25% loss on ignition at +1,000 degrees C |
| **Minerals** | Gibbsite | ~58% (trihydrate alumina THA) |
| | Boehmite | less than 1.2% (monohydrate alumina MHA) |
| | Clays | less than 7% |
| | Quartz | less than 2% |
| | Hematite | ~14% |
| | Goethite* | ~14%* |
| * Goethite has no negative impacts on | | (1) settling rates of the mud;<br>(2) overflow liquor clarities;<br>(3) flocculent dosage rates; or<br>(4) entrained $Al_2O_3$ (nil Al-entrainment in this goethite). |

| | |
|---|---|
| **Moisture** | 10% or less |
| **Sizing** | 95% passing 100mm & 90% + 7.5mm = coarse gravel |
| **Organic Carbon** | 0.13% to 0.15% (will decrease with Tassie Technology) |
| **Calcium & Magnesium** | generally below detection: maximum 0.05% CaO & MgO |
| **Settling performance:** | Red mud settling performance is good with low flocculent dosage required. |
| **Overflow clarities:** | Generally good to excellent. |
| **Goethite characteristics:** | Goethite from ABx bauxites has no negative impact on settling behaviour or overflow clarities and has no entrained $Al_2O_3$. |

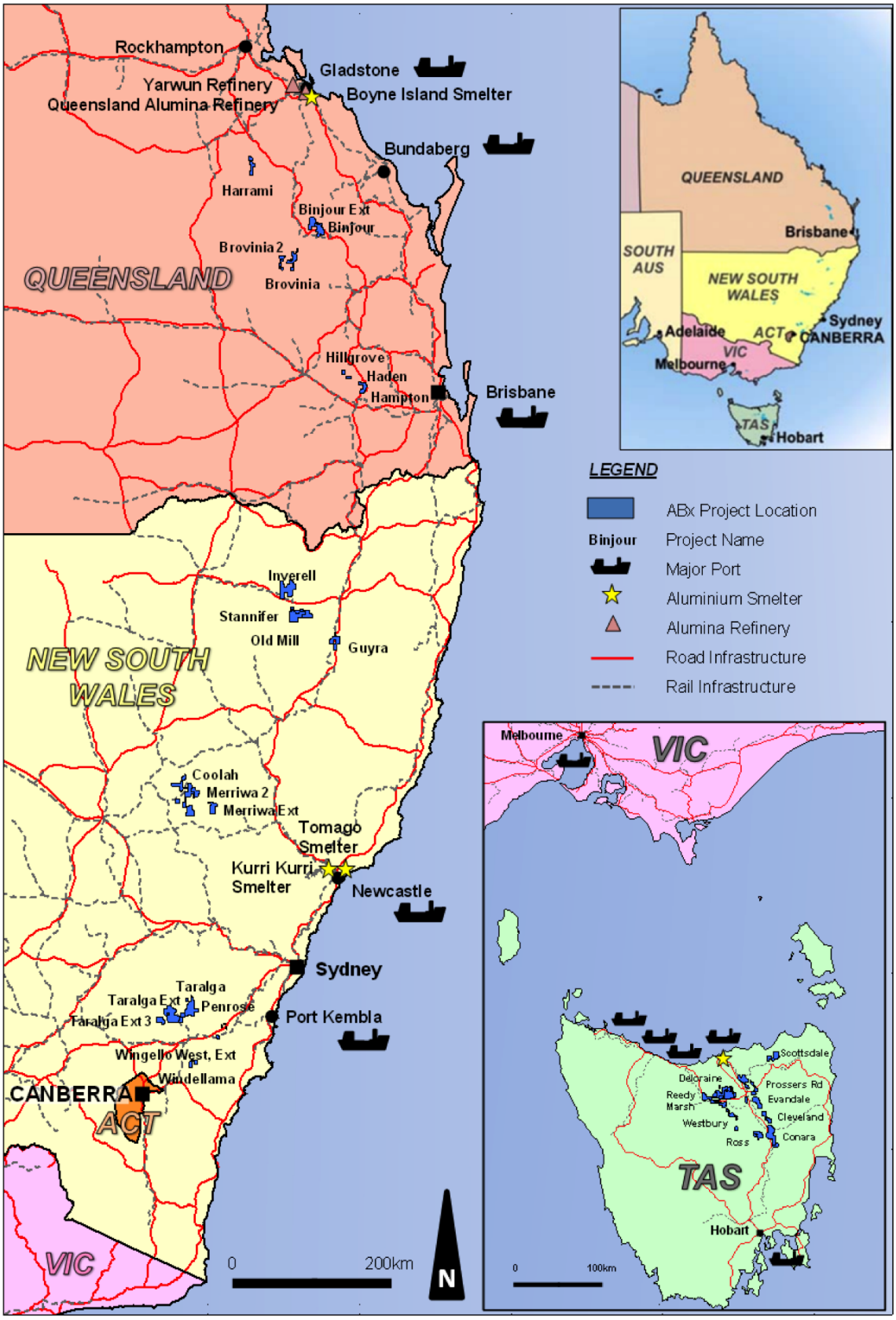


Figure 13 : ABx Project Tenements and Major Infrastructure