



AUSTRALIAN BAUXITE LIMITED

ASX: ABX

ASX ANNOUNCEMENT

28 July 2016

ABx to restart mine operations on 8 August

ABx and its operations contractor, Stornoway, have made arrangements to restart the Bald Hill Bauxite Project at Campbell Town, Northern Tasmania on 8 August 2016 to continue with routine rehabilitation and to commence assembling the next 3 bauxite lots for sale, including a large ship load, planned for shipping in late Spring.

Site inspections completed during June and July have confirmed that the site is now well positioned for restarting and was undamaged during the recent major flood event in Northern Tasmania that occurred whilst the Bald Hill Project was fortunately on care and maintenance.

Conditions at Bald Hill normally become drier and better for bauxite handling during late August and September. ABx is allowing ample time to assemble its sales tonnages, ready for rail to port for shipping to meet its customers' schedule.

Market development work will be a high priority for the site team and the marketing team to supply large samples for testing by several future customers, each of whom will conduct their own full-scale final engineering tests. Fortunately, the customers are aware that ABx bauxite is already producing high specification cement at state-of-the-art cement plants and they rapidly move to the advanced test stages. A multi-tonne cement-grade bauxite sample will be assembled in early August for containerisation and shipping to a new customer's site where final engineering tests will be conducted on concrete produced using ABx bauxite to confirm its favourable late strength characteristics. Tests are typically done on the concrete at intervals of 3, 7, 28 and 62 days.



Figure 1: Screen operations at Bald Hill Bauxite Project in Spring 2015

ABx's Chief Operating Officer, Leon Hawker commented; "There's sufficient bauxite tonnage for several shiploads that has been methodically stored at the mine site for blending to meet the grade requirement of our bauxite cement customers. There is also the beginnings of a shipload of metallurgical-grade bauxite for the aluminium industry, when prices are attractive for ABx.

ABx's Logistics Manager, Paul Glover commented; "Our cement-grade bauxite is designed to supply both aluminium oxide and iron oxide to cement plants in a single, stable, clean product and ABx is able to blend the exact mixture for each individual customer's situation. Having been washed clean over

geological time means that our bauxite is naturally chemically pure. Bauxite lowers the kiln temperatures and reduces wear in many cement kilns and is suitable for making corrosion resistant cement with excellent late strength for many modern applications.

It is even grained, dry, dust-free and exceptionally good for handling due to rigorous processing by Stornoway contractors at Bald Hill mine, careful transport pit-to-port by TasRail and professional port handling at Bell Bay Port by QUBE Ports.”



Figure 2: Loading of shiploads up to 65,000 tonnes at Bell Bay Port of Launceston

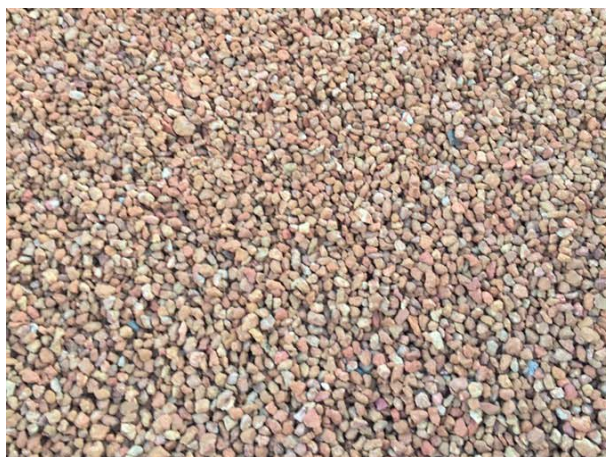


Figure 3: Close-up of stockpiled bauxite



Figure 4: Dust-free during loader handling

For further information please contact:

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About Australian Bauxite Limited

ASX Code ABX

Latest News: www.australianbauxite.com.au

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 km² 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.

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.

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
Ilan Levy
Ken Boundy

Chairman
CEO & MD
Director

Leon Hawker
Rob Williams
Jacob Rebek

Chief Operating Officer
General Manager
Chief Geologist

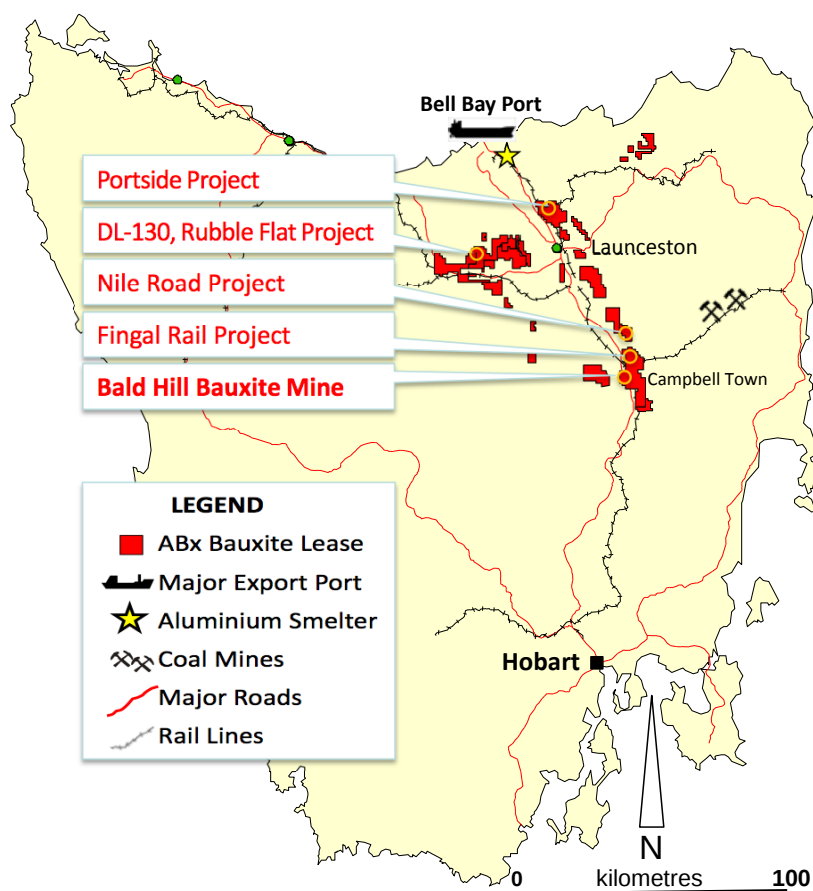


Figure 5: Map showing ABx mines and transport infrastructure in Tasmania, Australia

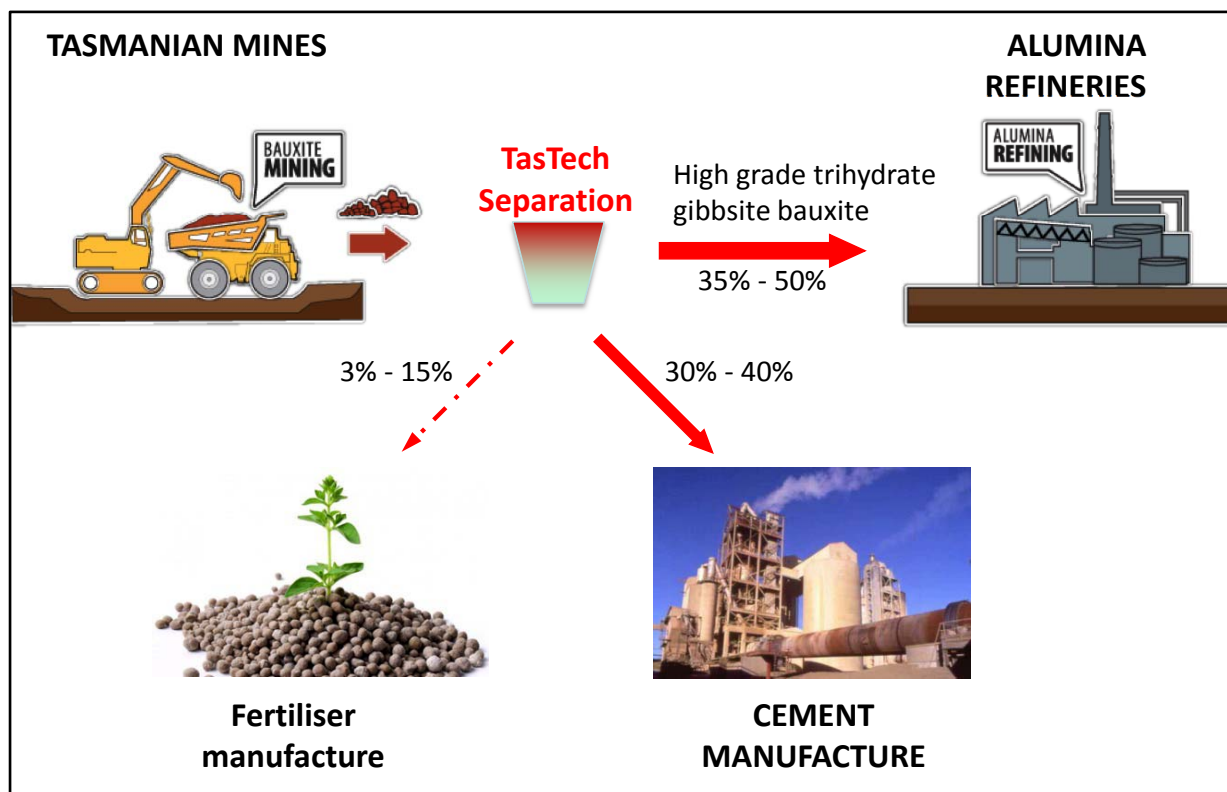


Figure 6: TasTech's business role

ABx's proprietary technology called "TasTech" is part of ABx's marketing strategy: TasTech is a low-cost, 3-stage physical process that separates Tasmanian bauxite into its 3 constituent product-types, namely:

1. High grade, ultra-clean metallurgical-grade bauxite for the aluminium industry;
2. Cement-grade bauxite for the manufacture of certified, high specification cement; and,
3. Fertiliser-grade bauxite for the fertiliser industry.

Qualifying statements

The information in this report that relates 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.

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 (JORC Code). Mr Rebek and Mr Levy have consented in writing to the inclusion in the report of the Exploration Information in the form and context in which it appears.