



AUSTRALIAN BAUXITE LIMITED
ASX: ABZ

ASX ANNOUNCEMENT

8 June 2012

About Australian Bauxite Limited:

ASX Code ABZ

Australian Bauxite Limited (ABx) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 40 bauxite tenements in Queensland, NSW and Tasmania covering 8,700 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. **Global resources declared to date total 98.7 million tonnes.** At the company's first drilling prospect in Inverell, northern NSW, a resource of 38.0 million tonnes¹ has been reported from drilling 15% to 20% of the area prospective for bauxite and a resource of 37.9 million tonnes² of bauxite has been reported at the Taralga project in southern NSW. A 6.0 million tonnes maiden resource was declared at Guyra³. A 16.8 million tonnes⁴ maiden resource has been declared at the Binjour Plateau in central QLD, confirming that ABx has discovered a significant bauxite deposit including some bauxite of outstandingly high quality. Australian Bauxite Limited 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.

Capital Raising Completed

Australian Bauxite Limited (ABx) (ASX: ABZ) advises that it has completed a placement of 4.3 million fully paid ordinary shares at \$0.39 cents per share to sophisticated, eligible and/or professional investors, as defined under Section 708 of the Corporations Act (**Placement**).

\$1.67 million of additional capital was raised to progress the company's drilling and development programs and to provide working capital.

State One Stockbroking Ltd facilitated the placement, which was well supported by existing shareholders. ABx will release an updated list of top twenty shareholders as soon as practicable.

Settlement of the placement is scheduled to occur on 12 June 2012 and quotation of the new shares is expected to commence on that date.

The shares are to be issued in accordance with a resolution passed by shareholders at the Company's Annual General Meeting on 28 May 2012.

ABx's CEO, Ian Levy, commented, "Despite the recent difficult market conditions it has been particularly pleasing to see Australian Bauxite maintaining market support, especially from key supportive shareholders."

Share Purchase Plan

In order to give existing shareholders an opportunity to invest at the same price as the Placement, ABx will offer shareholders the right to participate in a Share Purchase Plan (**SPP**).

The record date to participate in the SPP is 7 June 2012. Shareholders who hold ABx shares and are registered on the record date will be able to participate in the SPP.

Full details of the SPP will be provided to shareholders early next week.

For further information please contact:

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ABx Project Locations

JORC Compliant Resource Statements

The following are Joint Ore Reserve Code ("JORC")-compliant Public Reports released to the ASX declaring the JORC resources referred to. These can be viewed on the ASX website and the Company will provide these reports, free of charge on request.

¹ 08/05/2012 ASX Inverell JORC Resource Update, 38.0 Million Tonnes

² 30/05/2012 ASX Goulburn-Taralga Bauxite Resource up by 50% – 38 Million Tonnes

³ 15/08/2011 ASX Maiden Guyra Resource, 6.0 Million Tonnes

⁴ 12/10/2011 ASX Binjour Maiden Resource, 16.8 Million Tonnes