AUSTRALIAN BAUXITE LIMITED
ASX: ABX

ASX ANNOUNCEMENT
30 October 2014

Bald Hill Bauxite Project Update: Public Support & Contractors Selected

- **Public disclosure period of 28 days completed without objection**
- **Timetable on track for commencement of production in December 2014 as forecast**
- **Contractor tender period completed and key contractors selected**
- **Contract operating costs are consistent with forecast**
- **Capital costs are lower than forecast**
- **Bauxite prices and exchange rates consistent with forecast**

Public Support of DPEMP

Australian Bauxite Limited (ASX: ABX) (**ABx**) has concluded a 28 day public disclosure period for its Bald Hill Development Proposal and Environmental Management Plan (**DPEMP**) in Tasmania. During this period, members of the public reviewed the DPEMP and one formal response was received which was in fact, an expression of support for the project to proceed without delay.

The final stages of project approval from the EPA and North Midlands Council can now continue on schedule. If all proceeds to plan, the Bald Hill Bauxite Project should commence on schedule in December 2014.

ABx CEO, Ian Levy said; "This is another positive outcome for shareholders, our partner Noble Group, current and future employees, the Campbell Town district and Tasmania in general. In the last few weeks, ABx has had its Mining Lease granted, concluded a funding and marketing agreement with Noble Group and we are very grateful for this latest support for the project from the public."

Contractor Selection Completed

During October a total of 16 pre-qualified Tasmanian contractors participated in a tender and selection process for the Bald Hill Bauxite Project.

After an exhaustive selection process, the following three contractors have been selected, subject to satisfactory documentation and Board approvals thereof:

Mining and processing	Stornoway Group
Land transport pit to port	TasRail
Port Services	QUBE Ports

ABx Chief Operating Officer, Leon Hawker said; "We sincerely thank all tenderers for their efforts and timeliness in this tender and selection process. We have now entered a phase of contract finalisation and operational planning so that the project is ready to commence in December as planned."

Project Cost Structure

Based on the final contractor quotes, the project cost structure remains in line with the original forecast made in the ASX release dated 27 September 2012 prior to the commencement of the project approval process, as shown overleaf:

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Bauxite Prices & Exchange Rates Forecasts

Parameter		Original Forecast	Current Estimate	Variance
Bauxite price	US$/t CIF	$57.00 to $60.00	$58.00 to $61.00	+ve (better)
Freight	US$/t	$19.50 to $21.00	$19.00 to $21.00	-
Bauxite FOB	US$/t FOB	$36.00 to $40.50	$37.00 to $42.00	+ve
USD : AUD fx	A$ per US$1	1.00	0.87	+ve
Bauxite Price FOB	**A$/t FOB**	**$36.00 to $40.50**	**$42.50 to $48.28**	**+ve**

Capital Costs Forecasts

Capital Cost		Original Forecast	Current Estimate	Variance
Net Land Costs	A$ millions	$2.00	0.25	+ve (better)
Roads and Site	A$ millions	$4.25	$4.25	
Rail Siding	A$ millions	--	--	
Port Facilities	A$ millions	$2.40	--	+ve
Contingency	A$ millions	$1.75	$0.50	+ve
TOTALS	**A$ millions**	**$10.40**	**$5.00**	**+ve**

Operating Costs Forecasts
Excluding contingency

Operating Cost		Original Forecast	Current Estimate	Variance
Mining	A$/t	$5.00	$6.00 to $8.00	
Administration	A$/t	$1.00	$1.60	
State Royalty	A$/t	$0.80	$0.50 + $0.80	
Road Haul	A$/t	$12.60		
Train Loading	A$/t	--		-
Rail Freight	A$/t	--	$12.80	
Port Costs	A$/t	$7.00 to $8.50	$7.00 - $7.50	
TOTALS	**A$/t FOB**	**$26.40 - $27.95**	**$29.00 to $31.00**	

ABx plans to ship 0.44 million tonnes of bauxite in 2015 and increase to 2 million tonnes per annum in 2017-18 by opening up additional bauxite operations at Fingal Rail and DL-130 – see Figure 1.

About Australian Bauxite Limited

ABx is establishing its first mine in Tasmania and holds the core of the Eastern Australian Bauxite Province. ABx's 37 bauxite tenements in Queensland, New South Wales & Tasmania covering 5,029km^2 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 3rd party royalties (other than reported above).

ABx's discovery rate is increasing as its technology & expertise grows.

The Company's bauxite is gibbsite trihydrate bauxite with low silica contamination & can be processed into alumina at low temperature – the type in short supply globally.

ABx has declared 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.

The Company's first bauxite mine at Bald Hill, Tasmania is targeted for production in late 2014.

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

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states - Queensland, New South Wales & Tasmania. Its bauxite deposits are favourably located for direct shipping of bauxite to both local & export customers.

ABx endorses best practices on agricultural land, strives to leave land & environment better than we find it.

We only operate where welcomed.

Directors / Officers

Paul Lennon	Chairman
Ian Levy	CEO & MD
Ken Boundy	Director
Kon Tsiakas	Director
Henry Kinstlinger	Company Secretary
Julian Rockett	Company Secretary

For further information please contact

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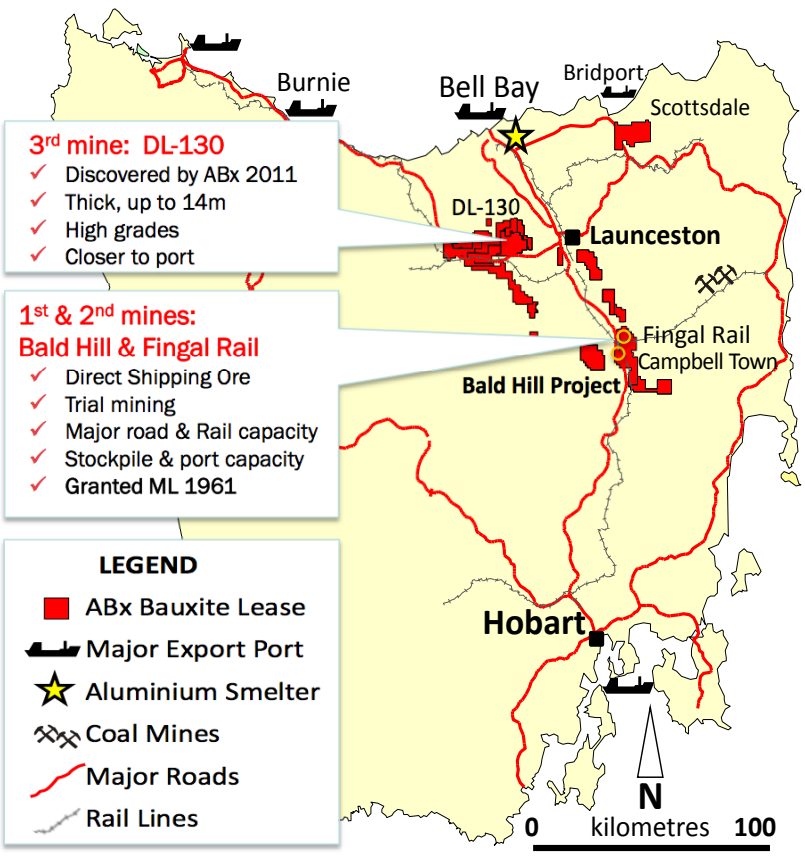

100 km by Road or Rail

Figure 1: Locations of Projects and Infrastructure in Tasmania

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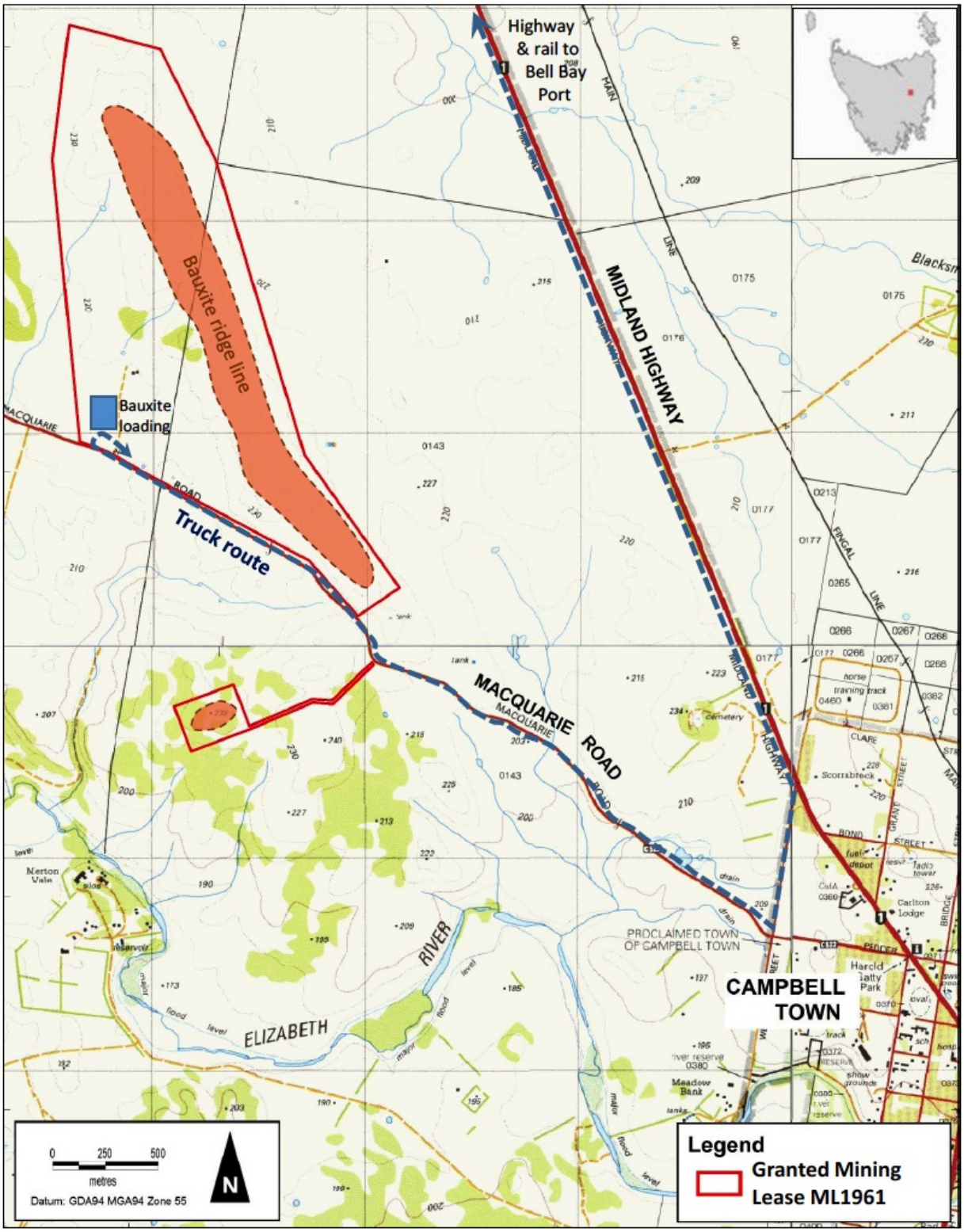

Figure 2: Bald Hill Mining Lease ML1961, Campbell Town, Tasmania

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Figure 3: ABx Project Tenements and Major Infrastructure