ASX ANNOUNCEMENT
8 November 2012

AUSTRALIAN BAUXITE LIMITED
ASX: ABZ

5.7 Million Tonnes Maiden Tasmanian Resource Near Bell Bay Port

Company resources grow to 112 million tonnes[1]

- **5.7 million tonnes of gibbsite-rich bauxite resources in Tasmania's northern midlands**
- **Based on 377 drill holes into less than 10% of the identified targeted bauxite areas**
- **Targeted bauxite areas are only in cleared land and/or commercially developed plantation forest land with strong landholder support, suitable for early development**
- **Scoping studies and approval process assessments are well advanced**

Emerging bauxite development company, Australian Bauxite Limited (**ABx, ASX Code ABZ**) has bauxite tenements totalling more than 7,500 km² covering the core of the Eastern Australian Bauxite Province (see Figure 6). ABx considers its Tasmanian Project located within 100 km of Bell Bay Port to be a state significant discovery of a major bauxite province, which may come into production ahead of ABx's other mainland projects.

A 2 to 8 metres thick surface layer of gibbsite-rich, low silica bauxite occurs in moderate-sized blocks over the Tasmanian northern midlands area in the hinterland of Bell Bay where Australia's first alumina refinery and first aluminium smelter were established. In early 2012, ABx identified bauxite in Tasmanian locations, which are suitable for production. Drilling commenced in late August and will continue throughout 2013 to extend the areas of bauxite drill testing. Only 7% of targeted areas have been drilled to date and contain the following maiden resources:

Table 1: Summary of Maiden Bauxite Resources, Tasmania

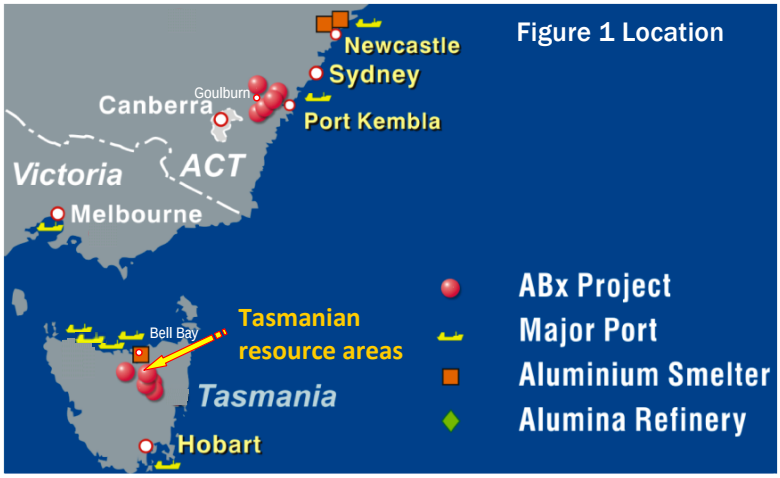
Tasmanian Bauxite Resources			Sieved at 0.26mm												
Resource category	**Tonnes millions**	Bauxite Thick-ness	Al_2O_3 Avl % 225°	Al_2O_3 Avl % 143°	Rx SiO_2 %	Avl/Rx Ratio	Al_2O_3 %	SiO_2 %	A/S Ratio	Fe_2O_3 %	TiO_2 %	LOI %	Yield %	Over-burden m	Internal Waste m
Inferred	5.7 Mt	3.8 m	39.5	37.6	3.2	11.9	44.1	4.3	10.4	22.8	3.1	25.0	55%	1.5 m	0.1 m
TOTAL	**5.7 Mt**	**3.8 m**	**39.5**	**37.6**	**3.2**	**11.9**	**44.1**	**4.3**	**10.4**	**22.8**	**3.1**	**25.0**	**55%**	1.5 m	0.1 m

Cut-off grades applied: Minimum 30% available Al_2O_3 at 143 degrees, 2m thickness, 350m search ellipse for each 25m x 25m block. Leach conditions to measure available alumina "Al_2O_3 Avl" & reactive silica "Rx SiO_2" is 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Al_2O_3 Avl % 225°" is estimated available alumina at 225 degrees C based on metallurgical testwork. "Avl/Rx" ratio is (Al_2O_3 Avl)/(Rx SiO_2) and "A/S" ratio is Al_2O_3/SiO_2. Values above 10 are excellent. Tonnage is for bauxite in-situ. Yield is for screening all samples at 0.26mm. The significant tonnages requiring no upgrade will have 100% yield.

The resource is based on 377 holes totalling 2,652 metres, averaging 7 metres depth.

Typically there is 3.5 to 4 metres of bauxite beneath 0.5 to 2 metres of soil and overburden which will be selectively removed and replaced over mined-out areas to ensure that seeds and soils remain viable.

Approximately 50% of the bauxite layer is DSO grade Bauxite[2] which can be mined and directly shipped.



[1] see JORC Compliant Resource Statements box
[2] see Definitions box

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DSO Bauxite Resources

Estimate of Direct Shipping Bauxite ("DSO Bauxite" – see Definitions) is shown in Table 2:

Table 2: Summary of DSO Bauxite Resources, Tasmania

In-Situ DSO Bauxite			Raw, unsieved in situ bauxite												
Resource category	**Tonnes millions**	Bauxite Thick-ness	Al_2O_3 Avl % 225°	Al_2O_3 Avl % 143°	Rx SiO_2 %	Avl/Rx Ratio	Al_2O_3 %	SiO_2 %	A/S Ratio	Fe_2O_3 %	TiO_2 %	LOI %	Yield %	Over-burden m	Internal Waste m
Inferred	3.0 Mt	4.0 m	34.2	32.6	4.6	**7.0**	40.5	5.6	**7.2**	24.9	3.9	23.2	100%	1.8 m	0 m
TOTAL	**3.0 Mt**	**4.0 m**	**34.2**	**32.6**	**4.6**	**7.0**	**40.5**	**5.6**	**7.2**	**24.9**	**3.9**	**23.2**	**100%**	1.8 m	0 m

Cut-off grades applied: Minimum 30% available Al_2O_3 at 143 degrees for raw in-situ bauxite, 2m thickness, 350m search ellipse for each 25m x 25m block. Leach conditions to measure available alumina "Al_2O_3 Avl" & reactive silica "Rx SiO_2" is 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Al_2O_3 Avl % 225°" is estimated available alumina at 225 degrees C based on metallurgical testwork. "Avl/Rx" ratio is (Al_2O_3 Avl)/(Rx SiO_2) and "A/S" ratio is Al_2O_3/SiO_2. Values above 6 are good for raw bauxite. Tonnage is for direct-shipping DSO bauxite in-situ.

DSO Bauxite would typically be the first bauxite shipped because it requires no processing on site. However, if bauxite production proceeds successfully, other parts of the deposits will be extracted, screened and blended into the stockpile at the port. Once the screening and blending is established, a high quality gibbsite-rich bauxite product suitable for low-temperature alumina refineries can be exported, probably from Bell Bay, Tasmania.

PROJECT DESCRIPTION

Location and Infrastructure

Central Northern Tasmania has good infrastructure, with operating rail lines and heavy-duty haulage highways passing through the bauxite areas, linking directly to efficient operating mineral export ports at Burnie and Bell Bay that have spare port capacity (see Figure 2). Tasmania has a well-developed electric power grid based mainly on hydroelectric power and has ample water supplies. Natural gas from the Bass Strait field is distributed throughout Tasmania and there are many well-established population centres.

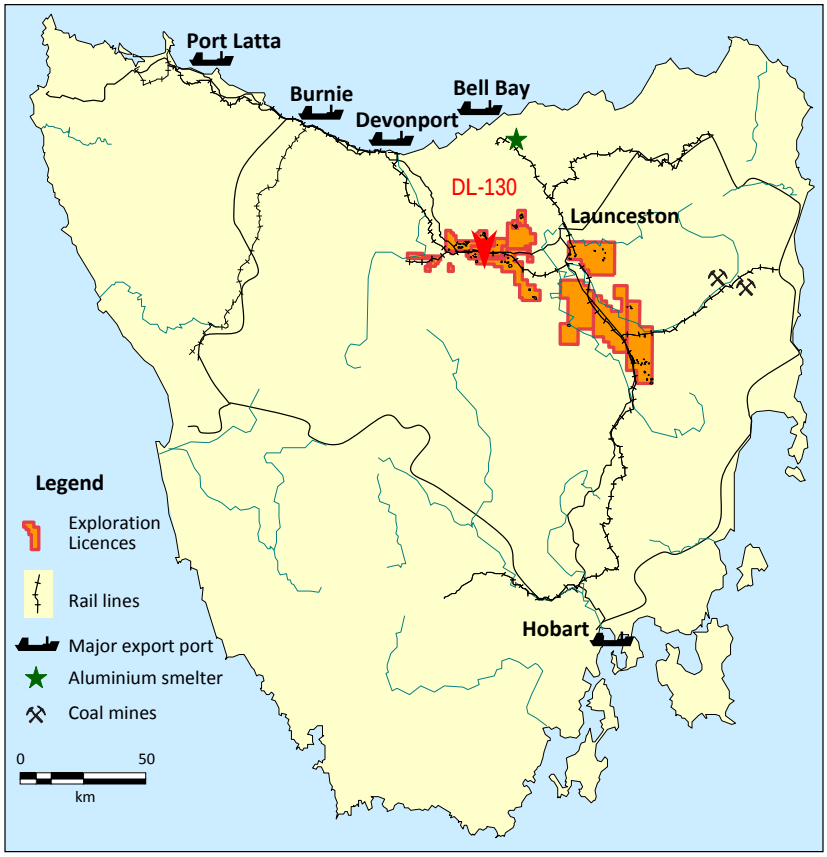
Tasmania has a proud mining heritage. Coal mining occurs in the Fingal Valley area east of the main bauxite areas and large cement works are operating in the area south of Devonport to the west of the bauxite areas. The Bell Bay aluminium smelter is operated by Rio Tinto Alcan (see Figure 2). Central Northern Tasmania has some of Australia's best steel fabrication and heavy machinery workshops as well as highly experienced earth moving, transport and construction contractors.

In summary, the Tasmanian bauxite project areas in central northern Tasmania are supplied with power, water, communica-tions and transport infrastructure, near industrial centres serviced by efficient mineral export ports that operate all year round without seasonal interruptions.

Figure 2 Bell Bay Port

Figure 3

ABx Tasmanian Bauxite Tenements, Deposits & Drillhole Locations (dots) and Infrastructure



Environmental Baseline Work

Environmental baseline work has been commissioned to occur during the current Spring season in Tasmania. ABx is conducting negotiations regarding some pine forest areas and other intensive plantations of imported tree species which are unlikely to present socio-environmental impediments but they are being assessed by independent environmental experts nonetheless.

Recent drilling tested Bauxite Deposit DL-130 located 65 km south-south-west of Bell Bay deepwater port in a privately owned plantation that is under harvest. Thicker than expected bauxite has been encountered up to 6 metres thick over a wide area; this suggests that this project could commence production earlier than anticipated with minimal impacts, returning the land to plantation timber after extracting the surface layer of bauxite and replacing the thin soil layer.

Deposit Geology

The main deposits lie on plantation forests that are being harvested. Bauxite forms slight ridges with lesser quality, thin soils that are best suited for plantation forest development.

The bauxite is a layer that is interpreted as having formed on the volcanic rocks of the lower Tertiary era (40 to 55 million years old). Recent erosion, especially after the Ice Age has dissected the deposits and the remnant ridges of bauxite are typically 1 to 2 kilometres long but occur in clusters that represent an ancient continuous plateau.

Figures 4 and 5 below show the geology of the main deposit, DL-130.

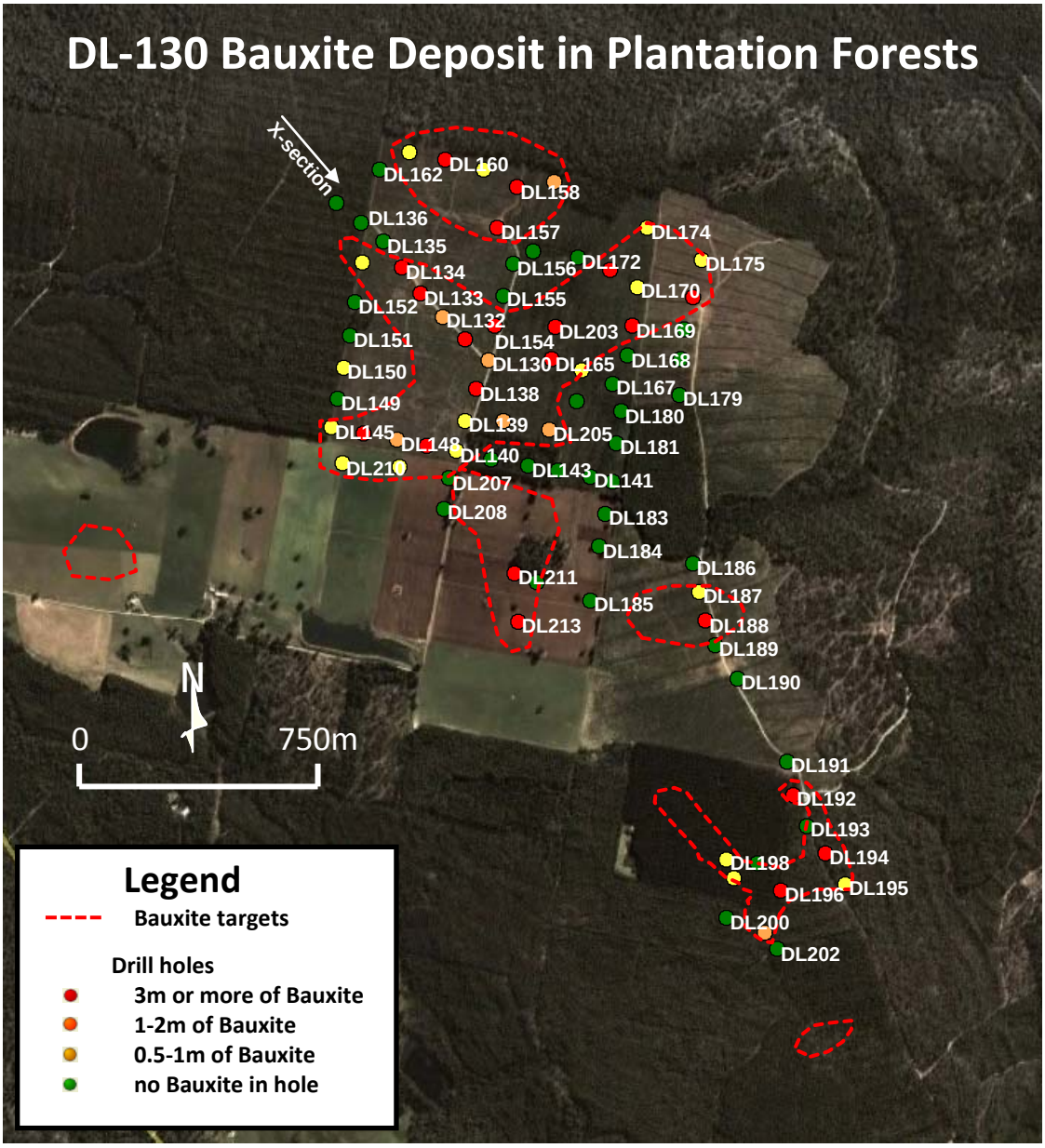


Figure 4: Recent Drillholes and Bauxite Thicknesses From Bauxite Deposit DL-130

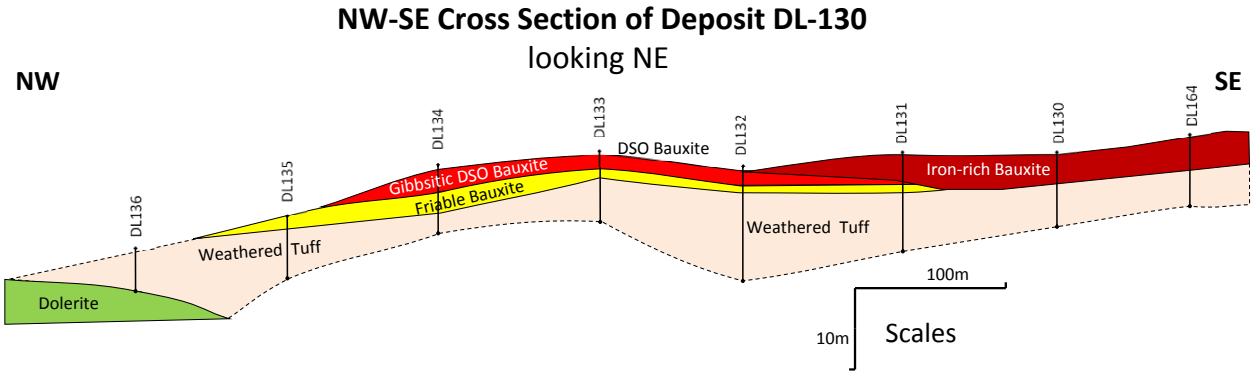


Figure 5: Cross Section Of The Northwest Part of Bauxite Deposit DL-130

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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 Taralga Bauxite Resource Increased 50% to 37.9 Million Tonnes

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

[4] 29/07/2012 ASX Binjour Maiden Resource, 24.5 Million Tonnes

[5] 08/12/2012 ASX Maiden Tasmania JORC Resource, 5.7 Million Tonnes

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 table are length-yield-weighted averages of each metre's yields & grades.

About Australian Bauxite Limited: ASX Code ABZ

Australian Bauxite Limited (**ABx**) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 41 bauxite tenements in Queensland, NSW and Tasmania covering 7,537 km^2 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. ABx conducts vigorous reviews of the commercial viability of its projects and tenements, resulting in new acquisitions, but also reductions in area as exploration is conducted.

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 112.1 million tonnes.** At the company's first drilling prospect in Inverell, northern NSW, a resource of 38.0 million tonnes[1] has been reported from drilling 35% to 40% of the area prospective for bauxite and a resource of 37.9 million tonnes[2] of bauxite has been reported at the Taralga project in southern NSW. A 6.0 million tonnes[3] maiden resource was declared at Guyra. A 24.5 million tonnes[4] 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. A 5.7 million tonnes[5] maiden resource has been declared for Tasmania. 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.

Figure 6: ABx Project Locations

APPENDIX

RESOURCE ESTIMATE METHOD

Qualifying statement

The information in this announcement that relate to Exploration Information 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 are directors 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 2004 Edition of the Australasian Code for Reporting of exploration Results, Mineral Resources and Ore Resources. Mr Rebek and Mr Levy have consented to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

The information in this announcement that relate to bauxite resource classifications is based on results and interpretations compiled by Ian Levy who is a member of The Australasian Institute of Mining and Metallurgy and the Australian Institute of Geoscientists. Mr Levy is a qualified geologist and employed as CEO of Australian Bauxite Limited.

Geostatistical block modelling was carried out by independent consultant, Scott McManus using Gemcom mining software. Mr McManus is an experienced resource modelling consultant and a member of the Australian Institute of Geoscientists.

Mr Levy has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is 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 Resources. Mr McManus and Mr Levy have consented in writing to the inclusion in this announcement of the Exploration Information in the form and context in which it appears.

More detailed explanations regarding resource methodologies are included in the Appendix.

Drilling: During late 2010, Tasmanian bauxite targets were tested by aircore drilling on a semi-random pattern governed by site availability across the northern midlands district of Tasmania to test grade distribution. It became clear that the bauxite mineralisation extended well beyond tenement boundaries and that some areas were more suitable than others for early project development.

After exhaustive field surveys during 2011, applications were made for new tenements to secure the core of the Tasmanian bauxite occurrences with special emphasis on bauxite deposits sited in areas that have been cleared or are extensively covered with commercial timber plantations utilising imported tree species.

During the second quarter of 2012, several bauxite occurrences covering perhaps 20% of the identified bauxite occurrences were targeted as being potentially suitable for early development. Less than half of these early development targets have been drilled during August and September 2012. Drilling will recommence in 2013 assuming the current scoping study is positive.

A total of 377 holes have been drilled in Tasmania to date, of which approximately 180 are in the areas containing these early development targets. A total of 74 holes intersected bauxite with grades and thicknesses above cut-off grade but 15 of those intercepts were not used for resource estimation because of washing yields less than 40% when wet-sieved at 0.26 mm. These are mainly “friable, fine-grained bauxites” (see cross-section in Figure 5 above) that will require a different form of beneficiation and may well be suitable for extraction.

These 15 excluded holes and many other subgrade intercepts of bauxite were used to define the deposit geometry (see cross-section in Figure 5 above).

Bauxite Density: DSO bauxite density was assumed to be 1.85 dry tonnes per cubic metre based on gravimetric testing of similar bauxite types in the Goulburn area of southern NSW.

Sampling and Laboratory Analysis: Drill samples were collected at 1 metre intervals from the aircore drillholes and analysed at ALS Laboratories in Brisbane including trihydrate (THA) available alumina ("Al_2O_3 Avl % 143") and reactive silica ("Rx SiO_2") measurements. Leach conditions to measure available alumina "Al_2O_3 Avl" and reactive silica "Rx SiO_2" were 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 minutes. The normal sample preparation method used was to wash the dried bauxite using a 0.26mm screen and analyse the material recovered on that screen.

Of the 74 bauxite holes, 21 were also analysed both in the raw, unwashed state and after washing to allow a conversion factor to be determined for sieved results converted to raw results.

Based on high-temperature leaching testwork done at 225 degrees C on bauxite samples from the Goulburn areas in southern NSW with similar bauxite mineralogy, an algorithm has been developed to estimate the percentage of total Al_2O_3 that is not accounted for by either the measured available alumina "Al_2O_3 Avl % 143" or as combined with reactive silica "Rx SiO_2" in kaolinite. This "unavailable alumina" is almost certainly present as a nanometrically fine grained "gamma spinel" called "PDM" and it is assumed that 50% of the alumina contained in PDM is dissolved at 225 degrees C. This figure is reported as "Al_2O_3 Avl % 225" in Tables 1 and 2 above.

Block Modelling Estimation Method: Estimation was done by geostatistical block modelling of bauxite intercepts, constrained within the interpreted geological boundaries using Gemcom resource estimation software and grade interpolation was done using the inverse distance squared method.

The block size is 25m x 25m and drill spacing within the bauxite zones was typically at 75 to 150 metres spacings. Data interpolation using a search ellipse of up to 350 metres was done, based on statistical assessments of continuity. Blocks with 2 or more reliable data points within that 350 metre search ellipse or blocks with 1 data point in a close-by hole were classified as being the Inferred Resources. For this Maiden Resource estimate, no blocks were classified as being Indicated but many did have 6 or more data points and may be classified as Indicated in future if in-fill drilling confirms sufficiently good continuity of grades and thicknesses.

Cut-Off Grade: Minimum resource criteria were 30% minimum available alumina (Al_2O_3 Avl % 143) over 2 metres of bauxite thickness.

Averaging and aggregating methods: Aggregated average intercept grades are length & yield weighted averages of each metre's grades & yields. Block grades are aggregated by length & yield weighted averaging of each block's length of bauxite, yield and grades.

Raw Bauxite: Two methods were used to estimate raw, in-situ bauxite grades:

1. For each chemical grade, linear correlations were determined between (1) the ratio of raw samples grades divided by the sieved sample grades and (2) the % yield for the sieved sample. This would allow sieved data to be converted to raw bauxite equivalents in a general manner.

   The linear correlation parameters determined this way are summarised as follows:

Y = aX + b where **Y = raw/sieved ratio and** **X = yield**		Al_2O_3 Avl % 225°	Al_2O_3 Avl % 143°	Rx SiO_2 %	Al_2O_3 %	SiO_2 %	Fe_2O_3 %	TiO_2 %	LOI %
Yield correlation: slope	a	0.0074	0.0082	-0.0253	0.0037	-0.0279	-0.0047	-0.0056	0.0036
Yield correlation: intercept	b	0.4185	0.3683	3.2653	0.7093	3.2699	1.3573	1.5654	0.7125

2. Arithmetic average of the grades from the 11 of the 21 raw-assayed holes that intersected bauxite exceeding 30% minimum available alumina (Al_2O_3 Avl % 143) over 2 metres of bauxite thickness.

   Results from these two methods were similar.

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