

AUSTRALIAN BAUXITE LIMITED



Experience in the Wide Bay Burnett & North Burnett Region Positives and challenges to support businesses

Regional Economic Development Growth Forum
Maryborough, 6th October 2016

History	Odds of failure	Risk-weighted \$1.00
2006: "ABx" looks for new bauxite areas (unpaid)	99.9%	\$1,000 *
2009: ABx had found 15 occurrences in NSW & QLD	98%	\$50.00 *
2010: ABx finds Binjour in QLD & bauxite in Tas	85%	\$6.67
2014: ABx commits to Tasmanian project	40%	\$1.67
2015: (Nov'15) China's market collapses	85%	\$6.67
2016: ABx supplies cement & fertiliser industries	25%	\$1.33

* High risk means EPM lease fees, enviro-permits & native title fees discourage new exploration

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Bauxite's traditional use is for aluminium (big projects)



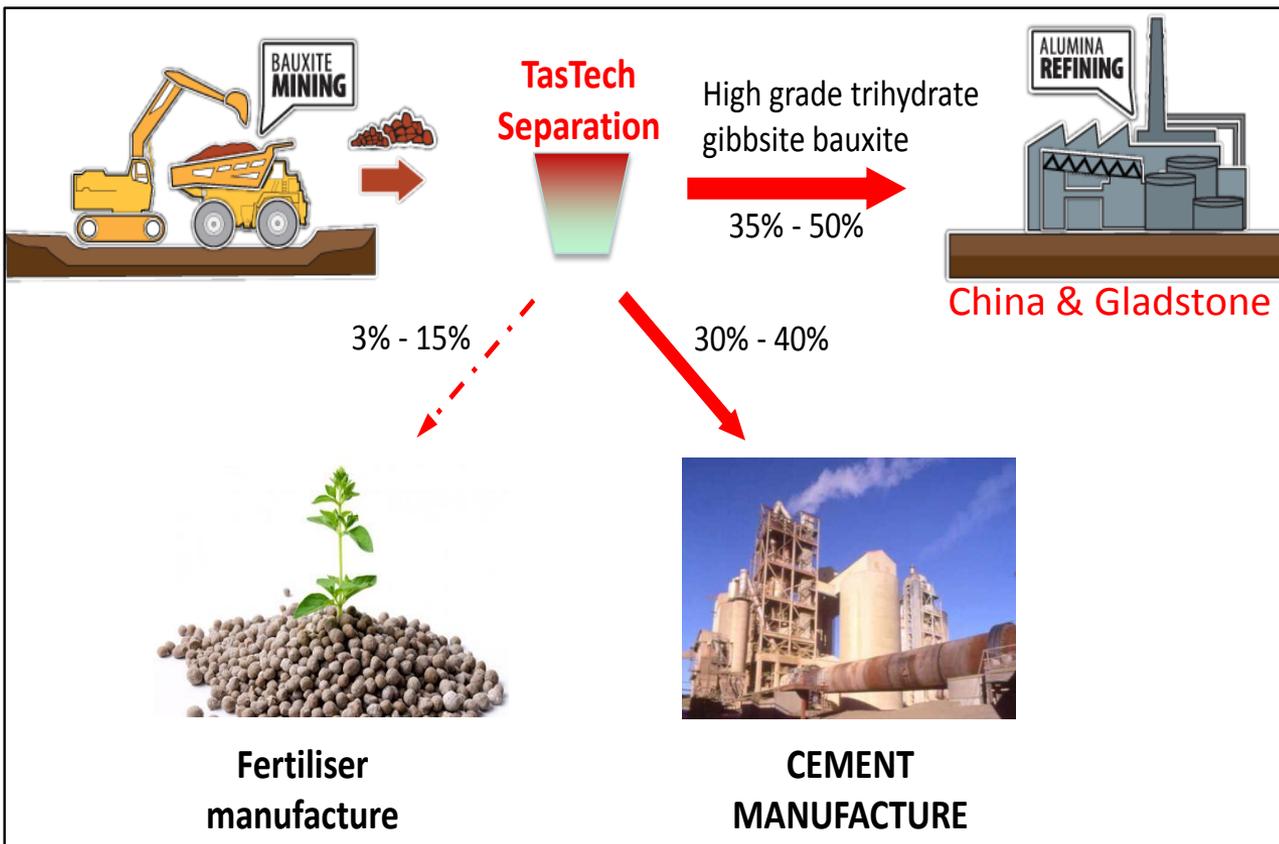
4 to 6 tonnes
bauxite gravel



2 tonnes
alumina



1 tonne
aluminium

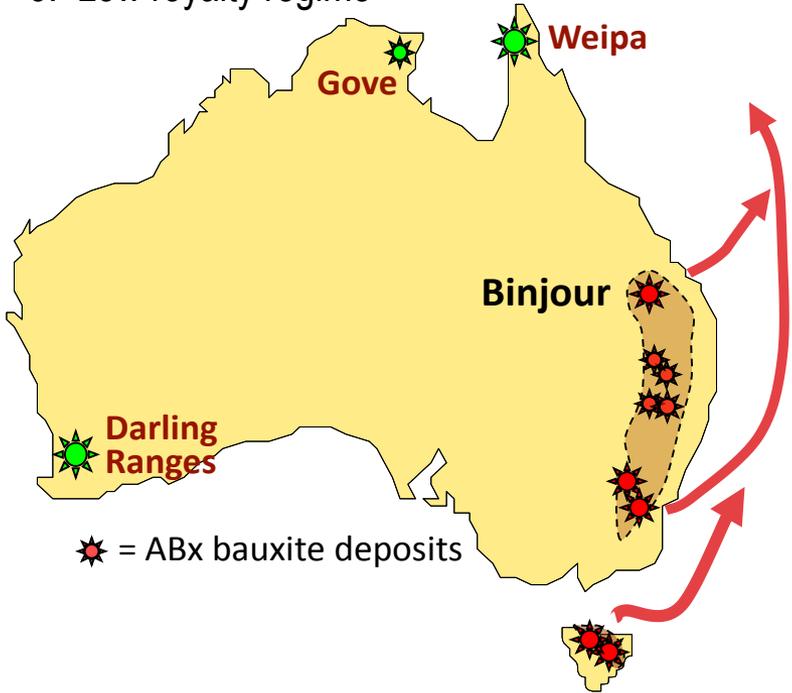


ABx projects are smaller quarries selling into 3 markets & growing year-by-year

ABx's best bauxite deposit is Binjour near Gayndah in QLD, but first mine started in Tasmania. Why?

First mine in Tas because:

1. Strong community & government support
2. Good infrastructure already in place
 - Roads: B-double trucking 12hrs/day
 - Rail lines seeking more customers
 - Port: start-up discounts & +60kt ships
 - Experienced mine contracting firms
3. Low royalty regime



Binjour, QLD experience:

1. Strong community & local government support ✓
2. Infrastructure is the main obstacle
 - Roads: limited trucking? ✗
 - Rail lines: inactive, obsolete ✗
 - Port: has potential for start-up & to grow ✓
 - Mine contracting firms from coal areas ✓
3. State political/rural mixed messages re mining ✗
4. Land use maps seem perverse & restrictive ✗
5. Native Title land fees make fresh exploration investment almost impossible ✗
6. EPM Tenements: highest fees & expenditures ✗
7. QLD has highest bauxite royalty rates which create a barrier to entry for new projects ✗
8. QLD's past reputation for pro-development ✓
9. QLD's advanced technology edge ✓

Good Landholder Relations

ABX endorses best practices on agricultural land to leave land and environment better than we find it. We only operate where we are welcomed



Simple Quarry & Screen

RETURNS TO GRAZING IN 3 YEARS
Soil preserved & reinstated, sheep
returned after only 15mths

Bald Hill "Mine" Tasmania



Bauxite quarry product:
cement-grade bauxite

Photo: Paul Scambler, The Examiner

Bauxite Markets

Bauxite is a benign dry gravel material, often called “ironstone” used for local road-building for over 120 years in QLD. It has many better uses, including:

1. Metallurgical bauxite for aluminium industry

- 100 million tonnes pa, dominated by “big Al” companies (barriers to entry) & 3rd world uncontrolled mines (eg. Malaysia)
- Currently depressed & oversupplied.
- Prices fell 40% US\$65/t to US\$35/t CIF China

2. Cement-grade bauxite demand is fastest growing market (good prices)

- 15 million tonnes pa of cement-grade bauxite, growing fast
- Cement = lime (CaO) + SiO₂ + Al₂O₃ + Fe₂O₃
- ABx’s type of bauxite helps cement kilns that use gas. Bauxite substitutes for ash from coal that was traditionally used in cement kilns and reduces emissions significantly
- ABx’s bauxite helps make corrosion-resistant, late-strength cement that increases the efficiency of modern construction
- ABx’s premium cement-grade bauxite provides BOTH Al₂O₃ & Fe₂O₃ in the perfect ratio

3. Fertiliser-grade bauxite to make superphosphate from rock phosphate

- ABx bauxite is used as a carrying media for single superphosphate (inert & benign)