AUSTRALIAN **BAUXITE** LIMITED
ASX: ABZ

ASX ANNOUNCEMENT
19 September 2011

High Grade "Brown Sugar" Bauxite at Binjour, QLD Extended Over a Wide Area. Maiden Resource Estimation Commenced. Progress and Strategy Update

- **89 holes intersected high quality, thick bauxite at Binjour, Central QLD**
- **Bauxite drill intercepts have been recorded in 4 locations in an area 8km x 4km**
- **The first-discovered bauxite deposit at Swains Plateau was subjected to follow-up drilling in July and was found to be a coherent deposit of significant tonnage and quality**
- **Swains Plateau bauxite deposit was recently infill-drilled at a drill spacing sufficient to complete a maiden resource estimate for part of the deposit – now underway**
- **Follow-up drilling of the other bauxite occurrences will also continue at Binjour for another two months whilst the Swains Plateau maiden resource is being estimated.**

Emerging bauxite exploration and development company, Australian Bauxite Limited (**ABx, ASX Code ABZ**) has received laboratory results from drilling at its Binjour project in central QLD (see Figure 1).

89 holes intersected a thick layer of bauxite located beneath a surface clay horizon, including some exceptionally high grade, thick gibbsite bauxite, ideal as a "sweetener" to any bauxite refinery. Complete results are listed in the Appendix and averaged in Table 1 as follows:

Table 1: Summary of 89 Drill Intercepts at Binjour, Central QLD

					Leach 143degC Analyses			Total Analyses for Sieved at 0.26mm					
	From m	To m	Length m	Yield % wt	Al_2O_3avl %	Rx SiO_2 %	Avl/Rx ratio	Al_2O_3 %	SiO_2 %	A/S ratio	Fe_2O_3 %	TiO_2 %	LOI %
Average all 89 bauxite holes	**8.7**	**12.3**	**3.5**	**60%**	**38.5**	**2.7**	**14.2**	**43.5**	**3.1**	**14.0**	**24.6**	**3.7**	**24.4**
Strip ratio (waste/bauxite)			2.51										
Best 45 holes (Swains Plateau)	**9.6**	**14.1**	**4.5**	**61%**	**41.4**	**2.3**	**18.1**	**45.8**	**2.6**	**17.4**	**21.7**	**3.6**	**25.6**
Strip ratio (waste/bauxite)			2.15										

Leach conditions to measure available Al_2O_3avl & reactive Rx SiO_2 is 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Srx" ratio is (Al_2O_3 avl)/(Rx SiO_2). Values above 10 are excellent. "A/S" ratio is Al_2O_3)/SiO_2. Yield is for screening at 0.26mm. If a different beneficiation method is used, yield will be different. Tonnages requiring no upgrade will have 100% yield.

Australian Bauxite CEO Ian Levy said; "Binjour is proving to be a fine bauxite deposit, containing premium grade bauxite, with good potential for more discoveries, including new discoveries of bauxite lying right at surface.

"Binjour project is destined to sell large tonnages of bauxite to alumina refineries needing "sweetener" bauxite that processes at low temperature and with low reactive silica contents.

"We call this "Brown Sugar" bauxite – sweet and greatly sort after. It will become a brand name.

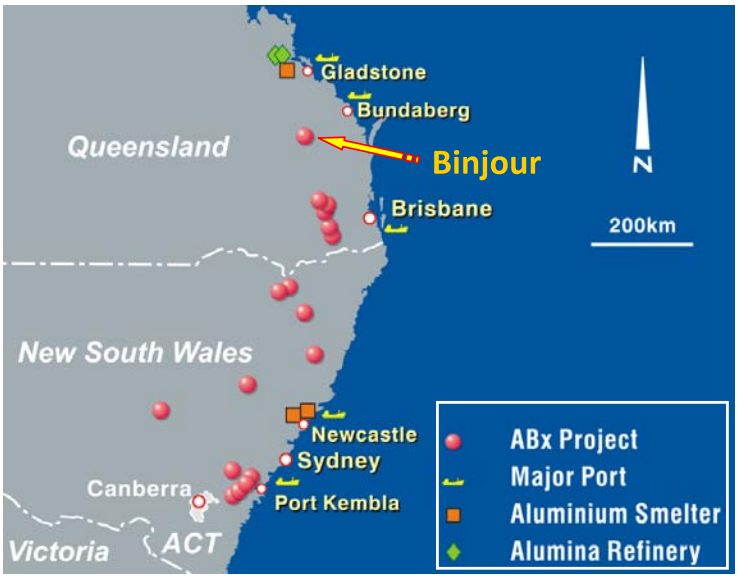

Figure 1: Location

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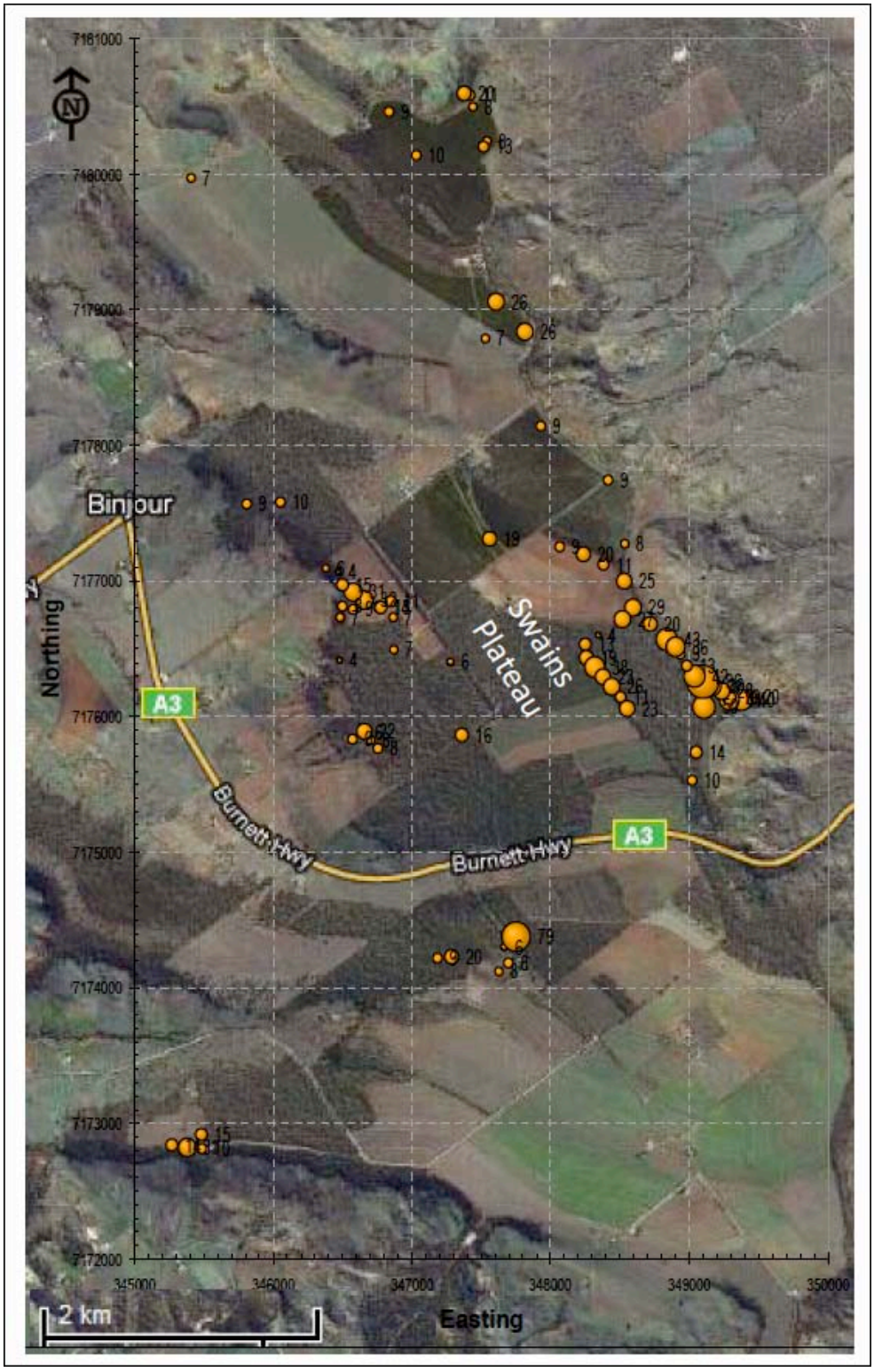
Figure 2: Binjour Bauxite Drillholes
Available Al_2O_3/Reactive SiO_2 Ratios



Logistical Setting

In addition to the sealed Burnett Highway, a disused rail line sits at the southern end of the Binjour lease which has a low tonnage capacity unless significantly upgraded. Engineering studies and government discussions have been underway for several months to find a cost-effective solution. The Binjour project is near regional cities, power, water and a pro-development workforce.

Resource Estimation Underway

Good continuity of bauxite qualities and thickness on Swains Plateau may lead to a maiden resource estimation, albeit based only on those parts of the deposit that have had sufficient infill drilling. The extent of bauxite is being extended substantially as drilling continues.

Further Work Planned

The Swains Plateau bauxite deposit is open in many locations and at least four other deposits have been identified. Follow-up drilling of the latest bauxite discoveries at Binjour is scheduled to continue for October-November; such is the potential at Binjour.

It is planned to restart a second drill rig to test other deposits as soon as a rig and field team is in place.

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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.

About Australian Bauxite Limited: ASX Code ABZ

Australian Bauxite Limited (**ABx**) holds the core of the newly discovered Eastern Australian Bauxite Province. Its 37 bauxite tenements in Queensland, NSW and Tasmania covering 8,500 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.

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 are 68 million tonnes.** At the company's first drilling prospect in Inverell, northern NSW, an interim resource of 35 million tonnes[1] has been reported from drilling 15% to 20% of the area prospective for bauxite and a resource of 25 million tonnes[2] of bauxite has been reported at the Taralga project in southern NSW. 6 million tonnes maiden resource was declared at Guyra[3]. Results from the Binjour Plateau in central QLD confirm 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.

The following are 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] 02/09/2010 ASX Inverell JORC Resource Update
[2] 12/05/2011 ASX Taralga Bauxite Resource Doubled to 25 Million Tonnes
[3] 15/08/2011 ASX Maiden Guyra Resource, 6 Million Tonnes

APPENDIX: BAUXITE INTERCEPTS AT BINJOUR

							Leach 143degC Analyses			Total Analyses for Sieved at 0.26mm					
Hole No.	Northing	Easting	From m	To m	Length m	Yield % wt	Al_2O_3avl %	Rx SiO_2 %	Avl/Rx ratio	Al_2O_3 %	SiO_2 %	A/S ratio	Fe_2O_3 %	TiO_2 %	LOI %
BJ005	7176734	346866	12	15	3	64.9	39.7	5.4	7.3	46.6	6.0	7.8	16.8	4.5	25.5
BJ006	7176860	346655	7	12	5	66.0	38.7	1.2	31.7	41.4	1.5	26.8	29.6	3.3	23.6
BJ008	7176790	346575	8	10	2	55.5	32.9	3.5	9.4	38.7	4.0	9.7	31.2	3.4	22.0
BJ009	7176812	346499	10	11	1	66.0	27.1	3.2	8.5	31.6	3.7	8.5	42.3	2.7	19.0
BJ010	7176402	347280	11	12	1	67.7	36.4	5.8	6.3	43.8	6.5	6.7	21.0	4.3	23.8
BJ011	7176226	347412	11	12	1	65.1	30.8	9.7	3.2	42.1	10.6	4.0	20.4	3.9	22.3
BJ014	7175863	347359	11	13	2	67.7	42.3	2.7	15.9	47.8	3.1	15.5	18.1	3.9	26.5
BJ015	7175732	347195	11	13	2	66.0	28.9	6.9	4.2	38.4	7.8	4.9	26.7	5.3	21.2
BJ017	7175767	346753	13	17	4	54.6	37.1	4.4	8.4	43.7	5.0	8.8	23.0	3.8	23.9
BJ026	7175787	347510	10	11	1	67.6	38.3	8.7	4.4	45.6	9.8	4.7	16.3	3.5	24.2
BJ031	7176805	348596	10	17	7	70.6	41.8	1.5	28.7	45.7	1.7	26.7	22.4	4.0	25.6
BJ032	7176682	348720	8	16	8	71.7	40.3	2.0	19.8	44.3	2.3	19.2	23.8	3.9	25.0
BJ033	7176568	348839	10	19	9	66.0	50.5	1.2	42.5	53.1	1.3	39.9	13.1	2.8	29.2
BJ034	7175739	349049	10	13	3	64.8	40.5	2.9	13.9	45.3	3.4	13.3	21.6	3.9	25.1
BJ035	7175497	349095	5	6	1	73.6	37.5	6.8	5.5	45.5	7.6	6.0	17.1	4.7	24.5
BJ053	7179059	347606	7	10	3	65.0	49.2	1.9	25.6	52.7	2.2	23.8	12.7	3.5	28.6
BJ056	7180244	347542	3	6	3	64.4	36.9	4.6	8.0	43.7	5.4	8.1	21.9	3.6	24.7
BJ057	7180499	347442	6	11	5	66.0	32.7	4.0	8.2	39.1	4.5	8.7	30.4	3.0	22.2
BJ058	7180583	347415	4	9	5	79.8	22.4	2.1	10.6	28.5	2.7	10.4	47.3	3.1	17.4
BJ059	7180596	347377	3	9	6	78.3	33.0	1.7	19.8	37.8	2.1	17.9	33.9	3.7	21.8
BJ062	7180369	346932	7	8	1	67.0	32.7	7.9	4.1	43.1	8.8	4.9	20.0	4.0	23.4
BJ063	7180460	346834	7	11	4	55.1	42.8	4.5	9.5	50.3	5.0	10.1	13.3	3.8	27.1
BJ074	7179528	346394	10	11	1	44.4	32.6	7.3	4.5	42.3	7.9	5.4	21.6	4.6	23.0
BJ079	7178791	347529	9	12	3	56.0	34.9	5.0	7.0	41.1	5.8	7.1	24.4	5.0	23.0
BJ081	7178642	347790	10	11	1	64.4	32.7	6.4	5.1	41.5	7.1	5.9	23.8	3.9	23.0
BJ083	7179976	345408	11	12	1	51.8	45.7	6.2	7.4	55.1	7.0	7.9	5.9	3.7	27.6
BJ107	7177275	348536	0	1	1	69.1	33.9	4.5	7.5	41.4	5.3	7.8	25.1	3.9	23.5
BJ110	7177215	348520	0	1	1	66.1	31.4	7.0	4.5	42.0	8.0	5.3	21.9	3.9	23.5
BJ111	7177001	348531	11	17	6	55.6	43.5	1.7	25.3	46.9	2.0	22.9	20.4	3.8	26.3
BJ112	7176720	348520	13	15	2	69.7	45.5	1.7	27.1	48.7	2.0	24.2	18.6	3.3	26.9
BJ113	7176072	349106	13	17	4	69.9	42.8	0.8	50.3	47.2	1.0	46.3	20.5	3.6	27.0
BJ114	7176141	349433	6	9	3	45.5	35.0	1.8	19.6	39.2	2.5	15.7	30.4	4.2	22.9
BJ115	7176124	349377	6	11	5	58.3	38.5	1.0	40.1	41.9	1.2	34.3	28.1	3.0	24.9
BJ116	7176127	349287	10	14	4	73.4	36.6	0.9	41.1	40.9	1.1	37.9	30.4	2.9	23.9
BJ119	7176139	349287	10	14	3	54.5	35.7	2.2	16.3	39.5	2.9	13.8	30.1	3.7	23.2
BJ120	7176189	349232	7	12	5	72.8	33.2	1.2	28.2	36.6	1.5	24.8	34.3	5.0	21.8
BJ121	7176222	349167	7	14	7	68.3	44.5	1.5	29.9	48.7	1.7	29.3	18.4	3.2	27.4
BJ122	7176260	349098	9	15	6	61.2	47.1	0.5	96.3	50.0	0.6	88.4	17.5	3.3	28.1
BJ123	7176298	349037	10	12	2	76.8	40.3	1.0	42.3	43.4	1.0	42.6	25.9	3.4	25.4
BJ124	7176376	348983	10	13	3	66.5	42.2	3.3	12.8	46.5	3.4	13.5	19.7	3.7	26.0
BJ125	7176462	348935	7	16	8	55.9	40.1	4.5	8.9	45.7	4.9	9.2	20.1	3.5	25.2
BJ126	7176515	348900	11	16	5	67.2	52.4	1.4	36.5	55.2	1.5	36.6	9.9	2.9	30.1
BJ127	7180206	347518	5	6	1	48.8	46.9	3.7	12.7	52.3	4.0	13.2	11.5	3.5	28.3
BJ128	7174185	347694	6	7	1	56.0	36.5	4.4	8.3	44.2	4.7	9.4	21.7	3.9	24.6
BJ131	7174229	347422	5	6	1	51.5	40.0	9.0	4.4	50.2	9.3	5.4	11.3	2.9	26.0
BJ132	7174303	347667	4	5	1	40.3	25.4	4.2	6.0	32.7	4.3	7.6	38.2	3.6	20.0
BJ134	7174119	347627	7	8	1	44.1	42.1	5.4	7.8	48.5	5.6	8.7	15.8	3.7	25.8
BJ136	7174080	347314	11	12	1	36.9	34.0	8.5	4.0	42.0	9.1	4.6	22.5	4.1	21.9
BJ154	7174228	347288	7	16	9	55.4	30.0	1.5	19.6	33.7	2.0	16.9	41.5	3.1	19.1
BJ155	7174377	347751	1	2	1	55.1	39.6	0.5	79.2	42.0	0.7	57.5	26.4	7.0	23.2

Table Continued overleaf

Appendix continued

							Leach 143degC Analyses			Total Analyses for Sieved at 0.26mm					
Hole No.	Northing	Easting	From m	To m	Length m	Yield % wt	Al_2O_3avl %	Rx SiO_2 %	Avl/Rx ratio	Al_2O_3 %	SiO_2 %	A/S ratio	Fe_2O_3 %	TiO_2 %	LOI %
BJ176	7174220	347183	8	9	1	46.3	41.7	4.9	8.5	47.2	5.3	8.9	17.9	3.5	25.6
BJ193	7178145	347929	8	12	2	68.9	40.1	4.6	8.6	45.9	4.9	9.3	19.3	3.7	25.6
BJ199	7177746	348417	5	7	2	73.3	41.8	4.7	8.8	49.5	5.0	9.9	14.5	3.7	26.9
BJ204	7177581	346053	8	10	2	60.9	34.8	3.5	10.0	42.5	3.8	11.1	25.0	3.9	23.9
BJ225	7176493	346868	11	13	2	75.8	36.3	5.0	7.2	46.3	5.5	8.4	18.2	3.7	25.4
BJ233	7175887	346657	11	14	3	71.2	36.5	6.1	6.0	42.6	6.3	6.7	22.2	4.9	23.3
BJ234	7175834	346572	10	11	1	70.3	43.9	5.1	8.6	49.3	5.5	9.0	14.0	3.7	26.8
BJ237	7175828	346705	11	13	2	63.4	25.5	3.2	7.8	31.2	3.8	8.2	43.3	2.7	18.3
BJ243	7176415	346476	6	7	1	34.2	31.7	8.2	3.9	43.0	9.0	4.8	20.1	3.6	23.5
BJ246	7176732	346481	8	9	1	57.8	37.7	5.1	7.4	44.6	5.5	8.1	21.1	3.5	24.6
BJ247	7176918	346576	7	13	6	65.7	37.3	1.2	31.4	41.2	1.5	26.7	29.8	2.6	24.1
BJ248	7176974	346498	6	13	7	69.5	36.6	2.4	15.2	41.2	2.8	14.8	28.5	3.2	23.5
BJ249	7177069	346471	7	8	1	54.9	31.1	8.4	3.7	41.5	9.1	4.6	22.3	4.2	22.2
BJ250	7177095	346381	4	11	6	45.0	30.0	4.9	6.1	36.7	5.5	6.7	32.5	3.8	20.7
BJ253	7175890	346657	10	12	2	65.5	45.6	2.1	21.9	50.2	2.3	21.7	15.4	4.3	27.2
BJ267	7180142	347033	9	10	1	69.3	42.8	4.5	9.5	48.5	4.9	9.9	15.6	4.1	26.4
BJ274	7178840	347815	9	13	4	61.8	39.3	1.5	26.1	41.5	1.9	21.9	29.1	2.9	23.9
BJ282	7177251	348068	2	3	1	69.3	27.1	3.0	9.0	36.2	3.3	10.8	32.9	4.7	22.0
BJ283	7177200	348238	7	12	5	29.8	47.9	2.4	19.9	51.9	2.9	18.1	12.8	3.4	28.5
BJ284	7177122	348383	11	14	3	65.4	45.9	4.0	11.5	51.7	4.8	10.9	11.5	3.8	27.8
BJ286	7177311	347559	12	16	4	78.0	36.4	1.9	19.0	42.9	2.5	17.3	24.3	4.6	24.8
BJ292	7176601	348344	9	10	1	68.7	38.2	9.5	4.0	48.4	10.1	4.8	12.2	3.5	25.4
BJ293	7176532	348250	9	12	3	67.6	34.3	2.6	13.0	41.1	3.0	13.6	27.6	3.8	23.7
BJ294	7176436	348259	10	17	7	60.1	40.2	2.1	19.1	44.0	2.6	17.1	24.7	3.5	24.5
BJ295	7176366	348317	11	17	6	60.6	38.8	1.0	37.6	43.3	1.4	31.8	26.3	3.9	24.5
BJ296	7176295	348376	12	20	8	53.3	39.3	1.7	22.8	42.3	2.1	19.7	27.6	3.7	23.7
BJ297	7176221	348441	11	20	9	53.5	41.7	1.6	26.2	45.2	2.0	23.1	23.0	4.1	25.1
BJ298	7176146	348504	11	21	9	54.9	33.4	3.0	11.1	39.6	3.4	11.7	29.3	4.7	22.3
BJ299	7176061	348551	11	15	4	65.8	45.4	1.9	23.4	48.9	2.2	22.6	18.1	3.7	26.6
BJ304	7175529	349021	9	10	1	62.1	35.6	3.7	9.6	41.1	4.2	9.9	26.4	4.1	23.4
BJ309	7177568	345810	13	17	4	44.5	40.4	4.5	9.0	45.3	4.8	9.4	21.9	3.5	23.8
BJ312	7176810	346769	15	20	5	11.0	34.4	2.4	14.2	43.0	2.8	15.2	22.8	6.5	24.2
BJ318	7172815	345487	10	13	3	60.4	39.6	4.0	10.0	44.7	4.3	10.3	22.8	2.9	24.7
BJ319	7172823	345380	13	20	7	66.6	34.6	1.1	30.9	37.6	1.5	25.8	35.9	3.1	21.3
BJ320	7172842	345268	11	13	2	59.8	43.2	3.1	14.1	48.2	3.3	14.4	17.7	3.4	26.7
BJ325	7172919	345482	10	12	2	71.7	41.9	2.8	15.1	47.5	3.2	14.8	18.5	3.7	26.5
BJ327	7176806	346774	15	25	10	32.9	33.5	2.6	13.0	40.7	3.1	13.1	27.6	4.0	23.8
BJ328	7176849	346847	14	20	6	18.3	35.2	3.3	10.5	43.2	4.4	9.9	21.5	5.9	24.3
BJ331	7177401	347534	14	15	1	72.1	30.1	9.0	3.3	42.3	9.8	4.3	20.9	3.9	22.6
Average all 89 bauxite holes			**8.7**	**12.3**	**3.5**	**60%**	**38.5**	**2.7**	**14.2**	**43.5**	**3.1**	**14.0**	**24.6**	**3.7**	**24.4**
Strip ratio (waste/bauxite)					2.51										

Leach conditions to measure available Al_2O_3avl & reactive Rx SiO_2 is 1g leached in 10ml of 90gpl NaOH at 143 degrees C for 30 mins. "Avl/Srx" ratio is (Al_2O_3 avl)/(Rx SiO_2). Values above 10 are excellent. "A/S" ratio is Al_2O_3)/SiO_2. Yield is for screening at 0.26mm. If a different beneficiation method is used, yield will be different. Tonnages requiring no upgrade will have 100% yield.

Figure 3: Project Tenements and Major Infrastructure – 3Qtr 2011