



AUSTRALIAN BAUXITE LIMITED

ASX:ABX

Guy Barnett MP
Level I Franklin Square
53 St John Street
LAUNCES70N, Tasmania 7250
Australia

Dear Guy,

Thanks for the meeting and discussion regarding Australian Bauxite exploration and future mining activities in Tasmania.

Australian Bauxite Ltd has been exploring in Tasmania since early 2010 and discovered viable deposits in the Tasmanian Midlands as well as other areas closer to Bell Bay.

I am now able to update you on yesterday's discussions and advise that we now have signed all Landowner Agreements covering our Bald Hill project. Once final documentation has been lodged with MRT we are hoping that the Minister will grant us a Mining Lease for the project in the coming weeks.

For the future we have identified other areas south of Campbell Town (Ross, Tunbridge and further south) however we have not committed to any major expenditure in exploring these leases due to the distance from Bell Bay and the high cost of transport to the Bell Bay port.

We had considered Triabunna as a possible alternative port for bulk shipments but the closure of port facilities at Triabunna put a stop to further consideration. In short, the lack of port capacity in south-central Tasmania stopped us even looking for any opportunity to expand our activities southwards.

We have recently had a party present a proposal to us that includes the use of barges and transshipment.

We are keen to hear of any developments for Triabunna and are happy to discuss further.

Yours sincerely

Leon Hawker
Chief Operating Officer

Australian Bauxite Limited

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