

ASX Announcement

ASX:QBL

18 August 2014

## Update on South Johnstone Bauxite Project

### Highlights:

- **Scoping study**
- **Port discussions continuing**
- **Off take**
- **Drilling**

The directors of Queensland Bauxite Limited (ASX: QBL) (“the Company”) have pleasure in providing an update on activities at the South Johnstone Bauxite project (“the Project”) in north Queensland.

Work is continuing on progression of a number of major activities and aims to deliver outcomes at South Johnstone.

### Scoping Study

The previously announced exploration results and bauxite test results at the Project to date have been highly encouraging. The previously announced Mineral Resource estimate forms the basis of the Scoping Study by an independent expert consultant which is currently underway and advancing well.

The scoping study includes but is not limited to:

- Review of existing data
- Review current resource basis and definitions
- Examine ore reserve assessment requirements, including the definition of any differing ore types

- Conduct site visits to view ground conditions and gather relevant cost and development data
- Development of preliminary design criteria and mine planning
- Budget estimate for mining capital and operating costs
- Determine any requirements for process test work sampling and a preliminary test program. Outline possible flow sheet investigation
- Budget estimate for transport operating to port
- Port and shipping suitability
- Budget estimate of port/shipping charges
- Review land access
- Environmental criteria and recommend review requirements including local and regional social and political impacts
- Infrastructure options including the availability of services and resources, particularly power and water supply and alternatives for site access for product handling
- Suggested site investigations and other engineering programs to prepare for feasibility level investigations
- Develop economic criteria and a preliminary financial analysis spreadsheet

The Scoping Study is expected to be completed within the next six to eight weeks.

### **Port**

Discussions with relevant port authority parties are continuing.

### **Off take**

The bauxite market is continuing to benefit from the ongoing export ban implemented by the Indonesian Government.

The Government of India is also reported to be increasing the export tax on bauxite from 10% to 20%.

Given this, the Company has widened the scope of potential third parties interested in potential off take discussions in the South Johnstone project. The Company has also been approached by major international companies to discuss potential off take opportunities. These discussions are ongoing.

## **Drilling**

A program of infill drilling within the JORC Inferred Resource areas is planned in an attempt to upgrade the JORC classification of the resource. This will consist of a shallow drilling program within the Inferred Resource; an area of approximately 10 sq km.

The Company is also evaluating the possibility of defining higher grade portions of the resource area.

The drilling program is planned to begin in the next few weeks once necessary approvals have been obtained.

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## **About Queensland Bauxite**

Queensland Bauxite Ltd is an Australian listed company focused on the exploration and development of its bauxite tenements in Queensland and New South Wales. The Company's lead project is the South Johnstone Bauxite Deposit in northern Queensland which has rail running through the project area and is approximately 20 kilometres from the nearest deep water port. The Company intends to become a bauxite producer with a focus on commencing production at South Johnstone as early as possible. The Company holds economic interests in coal projects in Mozambique.