

16<sup>th</sup> March 2017

### LICENCE FOR GROWING CANNABIS INDOORS GRANTED

The Board of Queensland Bauxite Limited is pleased to announce the progress of its investment in Medical Cannabis Limited (MCL) (see announcement dated 3<sup>rd</sup> March 2017).

Medical Cannabis Limited (MCL or "the Company") is furthering its plans within the Australian medical Cannabis and hemp seed research and supply industry.

Last Friday 10<sup>th</sup> March 2017, approval was granted by NSW Department of Primary Industries (DPI), under the Industrial Hemp Act 2008, to allow the Company to grow indoors a selection of its plant varieties at a private location in NSW. This is in addition to a licence under section 5 of the Hemp Industry Act 2008 to cultivate and supply low-THC Cannabis for commercial production and for manufacturing processing.

Technical Director Andrew Kavasilas says, "It is my understanding that MCL is the only company with current exposure to the ASX that has achieved such licences and approvals in Australia. The timing is perfect for our company to take advantage of the Australian government's new medical Cannabis regime.

"It's an exciting time and we will publicly display our work at the Sydney Hemp Health & Innovation Expo on Sunday 28<sup>th</sup> May 2017 at the Rosehill Racecourse.

"These licences will put MCL in the forefront of Australian Research and Development (R&D) as we identify cultivars of interest that will be investigated further under our proposed medical cultivation permit."

MCL is now preparing an additional application for a medicinal Cannabis cultivation licence through the Office of Drug Control (ODC) to obtain the right to lawfully cultivate cannabis for medicinal exploration.

Kavasilas says: "Once we have determined that we have cultivars of interest, we could then seek to commercialise a product via agreement or partnership with a processor and manufacturer, or licence cultivars to other companies without a 'lawful source' wanting to develop a product."

The Act and regulations make it clear the next step after cultivation is to produce an extract from which a manufacturer will develop a product.

Pnina Feldman, Executive Chairperson of QBL, says "As a result of the above licences, MCL is well ahead and positioned to be in a first mover situation within the current legal framework. It is now poised to take advantages offered by any government moves to fast track the supply of medical cannabis to approved patients.

This will enable MCL to begin projects to timely grow out a number of its low THC cultivars in order to evaluate a number of factors which may be of interest, especially the cannabinoid profile. Subsequent projects will look at the plants' ability to reproduce the outcomes or how we can better them, including various ways to expand consistent production.'

"We are happy to see MCL work within the regulatory framework established by the Australian government and hope to assist and take advantage of any new decisions in relation to fast tracking, interim measures and importation of medical Cannabis products until domestic cultivation is conducted."

The Hon Greg Hunt MP, Minister of Health, recently announced a government decision in relation to fast tracking imports until local supplies are produced.

Australian companies should be able to make solid investments on the back of comments such as: *"The Turnbull Government is committed to facilitating faster access by qualified doctors to medicinal cannabis for patients with the necessary approvals. We are now making it easier to access medicinal cannabis products more rapidly, while still maintaining strict safeguards for individual and community safety. (...)While the Australian supply of medicinal cannabis continues to develop, the government has authorised the importation and storage of the product from international sources for interim supply in Australia. This will give faster access by qualified doctors to medicinal cannabis for their patients."* **Greg Hunt MP**

<http://www.health.gov.au/internet/ministers/publishing.nsf/Content/health-mediarel-yr2017-hunt023.htm>

The Office of Drug Control has advised they will be as accommodating as possible to help Australian companies. As a result, MCL is actively pursuing value adding relationships/joint ventures to maximize the yield and use of high THC cultivars for exploration, or other fast track decisions that will lead to addressing the needs and concerns of a significantly increasing number of Australians using Cannabis every day for medical purposes.



Pnina Feldman  
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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 15-24 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 also pursues additional investment opportunities, and has entered into an agreement to acquire 55% of Medical Cannabis Limited, an Australian leader in the hemp and Cannabis industries.