

12th May 2017

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Meetings with the Department of Environment and Heritage Protection and Department of Infrastructure, Local Government and Planning

On Friday 3rd May and Monday 6th May, Queensland Bauxite Limited ("QBL" or "the Company") had productive and positive meetings with officers of the Department of Environment and Heritage Protection (DEHP) in Cairns and the Department of Infrastructure, Local Government and Planning (DILGP) in Brisbane, to present the work undertaken to date on the proposal to extract approximately 50,000 tonnes of bauxite, or one ship load of material, for export from Mourilyan Port, under the proposed MDL application, and discuss issues raised by EHP during the recent environmental authority (EA) amendment process. The Company's chief geoscientist Dr Robert Coenraads led the meetings on behalf of the Company, and Director Sholom Feldman was in attendance by phone conference at the meeting with the DEHP. The Company's environmental consultants Northern Resource Consultants (NRC) were also in attendance at the meeting with the DEHP to present and where necessary clarify the Company's environmental reporting and proposals.

The Company had previously provided a detailed work programme to the DEHP as part of the application process. Following a presentation on the project by Dr Coenraads explaining and clarifying the details of the project as previously provided to the Department in writing by the Company's consultant engineers, the Department requested that the further explanatory detail be provided by the Company in writing as part of the application documents to clarify the intended work programme in a number of areas. These primarily include further details on stormwater management and storage, and product handling and stockpiling. The Company will be working with its consultant mining engineers to add the further requested detail into the written work programme.

In addition, following the previous requests from the Department, a clearly defined set of air, water and noise monitoring requirements for the pilot project were discussed, and which NRC are undertaking a program for completion. These will be presented in writing to the Department as part of the revised set of application documents. It was agreed that as soon as the above documentation are complete then QBL will submit a 'clean slate' EA application and an upgraded work program in support of its Minerals Development Licence (MDL) application.

As a result of the meetings, the Company is confident that the revised application to the specifications now requested by the Department should be met with a positive response. It is our understanding that once our monitoring proposals and studies are upgraded to the latest requirements of the Department, as presented at the meeting, we will be operating under the most stringent of conditions on our Environmental Authority (EA), commensurate with the sensitivity of our project area which lies on prime agricultural land, sandwiched between World Heritage rainforest and the Great Barrier Reef. We believe this additional environmental monitoring will also give even further confidence to the local community in sanctioning QBL's social licence to operate in their midst.

Corporate Update

Whilst waiting for the grant of the MDL, the board of QBL has been actively seeking and reviewing other excellent investment opportunities with a view to increasing shareholder value through projects that have significant potential cashflows. The first of these acquisitions has been the Cannabis and hemp acquisition

through the agreement to acquire 55% of Medical Cannabis Limited (MCL) which also controls the Vitahemp business. This acquisition was able to be entered into due to the speed and efficiency of the QBL team, lawyers, and timely cooperation of the ASX, once the opportunity was identified. The QBL Board is continuing in its quest to maximise the potential returns from its investment in the Cannabis and hemp industries, both in the short term and long term, and the significant potential shareholder value that we believe will be generated as a result of these investments.

The historic regulatory changes that have taken place, and been announced since the MCL acquisition was entered into, and the significant advancement of the MCL business plan over this short period as publicly reported by the Company, gives the QBL board every confidence that this investment will far surpass even our initial expectations of the benefit to all our shareholders.

Further lucrative value-adding strategic relationships and opportunities are actively being pursued by the Company with the view to enhancing shareholder value, and will be announced to the market as soon as any such deal is entered into by the Company and when appropriate, as approved by the ASX.



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Executive Chairperson
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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.

Forward Looking Statements

This release may contain certain forward looking statements and information about expected future events that are forward looking in nature and subject to risks and uncertainties. When used in this release, the words like "anticipate", "believe", "intend", "estimate", "could", "should", "expect", "may", "plan", "potential", "will", "seek" and similar words or expressions are forward looking statements. Such forward looking statements by definition involve risks, uncertainties and other factors, which may cause the performance or achievements of Queensland Bauxite Limited (QBL) to be materially different from the statements made herein. Although every effort has been made to ensure this release sets forth a fair and accurate view, the company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required in accordance with the Company's continuous disclosure obligations.

Competent Person Statement

The information in this announcement that relates to exploration results, Exploration Targets or Mineral Resources is based on, and fairly represents, information compiled by Dr Robert Coenraads. Dr Robert Coenraads is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Coenraads contracts services to Queensland Bauxite Limited. Dr Coenraads has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Coenraads has given his consent to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.