

17th May 2017

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LICENCES UPDATE

On the 10th March 2017, Andrew Kavasilas, Director of Medical Cannabis Limited ("MCL" or "the Company") received permission from the Department of Primary Industries to start an indoor grow project of low THC Cannabis, in preparation for the Hemp & Health Innovation Expo in May (see previous announcement dated 28th March) as a continuation of the Company's existing Cannabis growing and research project.

As an extension of this permit, a further permit has been granted on Monday 15th May, to begin transporting specially bred and selected plants to outdoor trial plots. The cultivars will be monitored and studied for various agronomic traits such as stature, yield, omega ratios and nutritional profile. The Company is continuously looking to improve its cultivars.

The Company's existing growing permit, under the Hemp Industry Act 2008 allows cultivation and production of low THC hemp for commercial production and manufacturing purposes which includes use in fibre and cosmetic industries. Due to recent approvals, this use under the Company's existing Licence will also be extended for the commercially lucrative human consumption industry. This is also an important commercial advantage over other companies who may have only secured licences from the ODC solely for medical research, as those ODC licenses give permission for growth for research that includes amongst its conditions that it is not a license to grow product for human consumption.

In another significant milestone for the Company, under its current valuable import permit, the Company has also successfully imported live Cannabis seed from China for the purpose of growing, multiplying and enhancing its existing cultivar base for the Australian industry. These varieties are in addition to the Company's existing seed bank, and will be grown and evaluated for their adaptability, yield, and other factors that will enable the Company to make an early prediction on their suitability. It is our understanding that this is the first Chinese live seed import into Australia that complied with all the new Australian quarantine laws.

Various companies have also approached the Company to find synergies in different aspects of the industry, the outcomes of which will be announced to market in accordance with our continuous disclosure obligations.

Pnina Feldman Executive Chairperson of Queensland Bauxite says "we are most excited about our investment into Medical Cannabis Ltd, because we believe that due to the current expertise, active seed bank, growth licenses and existing plants, we expect this Company to be an Australian leader in legally and commercially growing Cannabis for human consumption. Not only do we anticipate this availability to be of major assistance to the health industry, but is anticipated to be most lucrative for cash flow to the Company as it has been and continues to be in those areas of the world where medicinal Cannabis and hemp products are already in use."



Pnina Feldman
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www.twitter.com/QLDBauxite

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.