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19th September 2017

Unique Variations and High Levels of Cannabinoids of Interest Identified

Queensland Bauxite Limited (ASX:QBL) is pleased to announce preliminary findings in relation to cannabinoid testing performed by its subsidiary Medical Cannabis Limited (MCL) of some of MCL's low THC Cannabis cultivars. (THC is tetrahydrocannabinol Delta 9, a medical compound produced by Cannabis plants).

Andrew Kavasilas, Technical Director of MCL, said "Because we are a multifaceted Cannabis company, there are many aspects of our research and breeding program that enhances our knowledge base. While testing for a particular cannabinoid level in some of our mature cultivars, we've identified unique variations, high levels of cannabinoids of interest, as well as other complex compounds produced by these particular cultivars.

"This is the very first of our new program to multiply and freshen seed stock of traditional seed and fiber varieties. I think MCL is the first of the majors with access to an Australian seed bank which has been continually developed over the past decade. With our current licenses we have been able to fast track this much needed preliminary research that will help us to make decisions in relation to breed selection to suit various opportunities in our current plant/product identification and development that we are looking to bring to the market as soon as legally possible."

Low THC hemp seed foods are due to be legalised for human consumption in Australia on November 12 this year. Government regulations allow for trace amounts of THC in end products, as these levels are not considered to have any psychoactive effect.

Australian hemp growers, processors and hemp seed food manufacturers will be required to maintain and monitor THC levels.

There have been reports from other countries where 'THC creep' hasn't been kept on check and entire shipments have been turned away from borders and destroyed.

MCL has referred to its indoor and outdoor cultivation program in several announcements this year and are proud of the rapid advance and establishment of these crucial components required to secure a solid and sustainable research and product development base.

Pnina Feldman, Executive Chairperson of QBL, said, "It is pleasing to see MCL utilising all manners of Cannabis research to help build its profile. This is just an early snapshot of the work MCL is doing in relation to research cultivation which leads to entry into the Australian and worldwide cannabinoid industries.

"It seems only a little while ago we thought the Cannabis industry would be a good idea for QBL to invest in, and within a relatively short time we have secured a substantial stake in what we believe will be Australia's premier Cannabis company and MCL is already well into important research. As a result of MCL's long history of plant breeding, I think MCL will continue to discover important

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cannabinoids and interesting compounds that may prove immensely beneficial to the global nutritional and medical industries."

Pnina Feldman
Executive Chairperson
Queensland Bauxite Limited

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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 acquired a 55% shareholding in Medical Cannabis Limited, an Australian leader in the hemp and Cannabis industries.