

QUEENSLAND BAUXITE LIMITED
ACN 124 873 507

ENTITLEMENT ISSUE PROSPECTUS

For a non-renounceable entitlement issue of one (1) Share for every four (4) Shares held by those Shareholders registered at the Record Date at an issue price of \$0.014 per Share to raise up to \$1,782,167 (based on the number of Shares on issue as at the date of this Prospectus) (together with one free attaching option with an exercise price of \$0.10 and an expiry date of 31 July 2016 for every two Shares subscribed for and issued (**New Option**)) (**Offer**).

The Offer is not underwritten.

IMPORTANT NOTICE

This document is important and should be read in its entirety. If after reading this Prospectus you have any questions about the securities being offered under this Prospectus or any other matter, then you should consult your stockbroker, accountant or other professional adviser.

The Shares offered by this Prospectus should be considered as speculative.

This is a replacement prospectus dated 11 February 2015. This replacement prospectus replaces the original Prospectus dated 4 February 2015.

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1. CORPORATE DIRECTORY

Directors

Pnina Feldman (Chairperson)
Sholom Feldman (Exec. Director)
Meyer Gutnick (Non Exec. Director)
David Austin (Alternate Director)

Company Secretary

Sholom Feldman

Share Registry

Computershare Investor Services Pty
Limited
Level 2, Reserve Bank Building
45 St Georges Terrace
Perth WA 6000

Telephone: 1300 787 272

Registered Office

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Website:

www.queenslandbauxite.com.au

Solicitors

Steinepreis Paganin
Lawyers and Consultants
Level 4, The Read Buildings
16 Milligan Street
Perth WA 6000

2. TIMETABLE

Lodgement of Prospectus with the ASIC	4 February 2015
Lodgement of Prospectus & Appendix 3B with ASX	4 February 2015
Notice sent to Optionholders	5 February 2015
Notice sent to Shareholders	6 February 2015
Ex date	9 February 2015
Record Date for determining Entitlements	11 February 2015
Prospectus sent out to Shareholders & Company announces this has been completed	13 February 2015
Closing Date*	24 February 2015
Shares quoted on a deferred settlement basis	25 February 2015
ASX notified of under subscriptions	27 February 2015
Issue date/Shares entered into Shareholders' security holdings	3 March 2015
Quotation of Shares issued under the Offer*	4 March 2015

*The Directors may extend the Closing Date by giving at least 6 Business Days notice to ASX prior to the Closing Date. As such the date the Shares are expected to commence trading on ASX may vary.

3. IMPORTANT NOTES

This replacement prospectus is dated 11 February 2015 and was lodged with the ASIC on that date. This replacement prospectus replaces the original prospectus dated 4 February 2015. For the purposes of this document, this replacement prospectus will be referred to as the "Prospectus". The ASIC and its officers take no responsibility for the contents of this Prospectus or the merits of the investment to which this Prospectus relates..

No Shares may be issued on the basis of this Prospectus later than 13 months after the date of this Prospectus.

No person is authorised to give information or to make any representation in connection with this Prospectus, which is not contained in the Prospectus. Any information or representation not so contained may not be relied on as having been authorised by the Company in connection with this Prospectus.

It is important that investors read this Prospectus in its entirety and seek professional advice where necessary. The Shares the subject of this Prospectus should be considered highly speculative.

Applications for Shares and Shortfall Shares offered pursuant to this Prospectus can only be submitted on an original Entitlement and Acceptance Form.

This Prospectus is a transaction specific prospectus for an offer of continuously quoted securities (as defined in the Corporations Act) and has been prepared in accordance with section 713 of the Corporations Act. It does not contain the same level of disclosure as an initial public offering prospectus. In making representations in this Prospectus regard has been had to the fact that the Company is a disclosing entity for the purposes of the Corporations Act and certain matters may reasonably be expected to be known to investors and professional advisers whom potential investors may consult.

3.1 Risk factors

Potential investors should be aware that subscribing for Shares in the Company involves a number of risks. The key risk factors of which investors should be aware are set out in Section 7 of this Prospectus. These risks together with other general risks applicable to all investments in listed securities not specifically referred to, may affect the value of the Shares in the future. Accordingly, an investment in the Company should be considered highly speculative. Investors should consider consulting their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

4. DETAILS OF THE OFFER

4.1 The Offer

The Offer is being made as a non-renounceable entitlement issue of one Share for every four Shares held by Shareholders registered at the Record Date at an issue price of \$0.014 per Share (together with one free attaching option with an exercise price of \$0.10 and an expiry date of 31 July 2016 for every two Shares subscribed for and issued). Fractional entitlements will be rounded up to the nearest whole number.

Based on the capital structure of the Company as at the date of this Prospectus, (and assuming no existing Options are exercised prior to the Record Date) a maximum of 127,297,649 Shares and 63,648,825 New Options will be issued pursuant to this Offer to raise up to \$1,782,167. No funds will be raised from the issue of the New Options.

All of the Shares offered under this Prospectus will rank equally with the Shares on issue at the date of this Prospectus. Please refer to Section 6 for further information regarding the rights and liabilities attaching to the Shares.

All of the New Options offered under this Prospectus will be issued on the terms and conditions set out in section 6.2 of this Prospectus.

All Shares issued on conversion of the New Options will rank equally with the Shares on issue at the date of this Prospectus.

The purpose of the Offer and the intended use of funds raised are set out in Section 5.1 of this Prospectus.

4.2 Minimum subscription

There is no minimum subscription.

4.3 Acceptance

Your acceptance of the Offer must be made on the Entitlement and Acceptance Form accompanying this Prospectus. Your acceptance must not exceed your Entitlement as shown on that form. If it does, your acceptance will be deemed to be for the maximum Entitlement.

You may participate in the Offer as follows:

- (a) if you wish to accept your **full** Entitlement:
 - (i) complete the Entitlement and Acceptance Form; and
 - (ii) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the amount indicated on the Entitlement and Acceptance Form; or
- (b) if you only wish to accept **part** of your Entitlement:
 - (i) fill in the number of Shares you wish to accept in the space provided on the Entitlement and Acceptance Form; and

- (i) attach your cheque, drawn on an Australian bank or bank draft made payable in Australian currency, for the appropriate application monies (at \$0.014 per Share); or
- (c) if you do not wish to accept all or part of your Entitlement, you are not obliged to do anything.

4.4 Payment by cheque/bank draft

All cheques must be drawn on an Australian bank or bank draft made payable in Australian currency to "**Queensland Bauxite Limited**" and crossed "Not Negotiable".

Your completed Entitlement and Acceptance Form and cheque must reach the Company's share registry no later than 5:00pm AWST on the Closing Date.

4.5 Payment by BPAY®

For payment by BPAY®, please follow the instructions on the Entitlement and Acceptance Form. You can only make a payment via BPAY® if you are the holder of an account with an Australian financial institution that supports BPAY® transactions. Please note that should you choose to pay by BPAY®:

- (a) you do not need to submit the Entitlement and Acceptance Form but are taken to have made the declarations on that Entitlement and Acceptance Form; and
- (b) if you do not pay for your Entitlement in full, you are deemed to have taken up your Entitlement in respect of such whole number of Shares which is covered in full by your application monies.

It is your responsibility to ensure that your BPAY® payment is received by the share registry by no later than 4:00 pm (WST) on the Closing Date. You should be aware that your financial institution may implement earlier cut-off times with regards to electronic payment and you should therefore take this into consideration when making payment. Any application monies received for more than your final allocation of Shares (only where the amount is \$1.00 or greater) will be refunded. No interest will be paid on any application monies received or refunded.

4.6 Underwriting

The Offer is not underwritten.

4.7 Effect on control of the Company

Shareholders should note that if they do not participate in the Offer, their holdings are likely to be diluted by up to approximately 20% (as compared to their holdings and number of Shares on issue as at the date of the Prospectus). Examples of how the dilution may impact Shareholders is set out in the table below:

Holder	Holding as at Record date	% at Record Date	Entitlements under the Offer	Holdings if Offer not taken Up	% post Offer
Shareholder 1	10,000,000	1.96%	2,500,000	10,000,000	1.6%
Shareholder 2	5,000,000	0.98%	1,250,000	5,000,000	0.79%
Shareholder 3	1,500,000	0.29%	375,000	1,500,000	0.24%
Shareholder 4	400,000	0.08%	100,000	400,000	0.06%
Shareholder 5	50,000	0.01%	12,500	50,000	0.01%
Total	509,190,597		127,297,649		636,488,246

Notes:

1. All numbers are subject to rounding.
2. The dilutionary effect shown in the table is the maximum percentage on the assumption that those Entitlements not accepted are placed under the Shortfall Offer. In the event all Entitlements are not accepted and some or all of the resulting Shortfall was not subsequently placed, the dilution effect for each Shareholder not accepting their Entitlement would be a lesser percentage.

4.8 Shortfall Offer

Any Entitlement not taken up pursuant to the Offer will form the Shortfall Offer.

The Shortfall Offer is a separate offer made pursuant to this Prospectus and will remain open for up to three months following the Closing Date. The issue price for each Share to be issued under the Shortfall Offer shall be \$0.014 being the price at which Shares have been offered under the Offer.

The Directors reserve the right to issue Shortfall Securities at their absolute discretion. You may apply for an allocation of Shortfall Securities, and the directors will decide if any Shortfall Securities will be allocated and to whom. There is no guarantee that you will receive an allocation of Shortfall Securities.

4.9 ASX listing

Application for Official Quotation of the Shares offered pursuant to this Prospectus will be made in accordance with the timetable set out at the commencement of this Prospectus. If ASX does not grant Official Quotation of the Shares offered pursuant to this Prospectus before the expiration of 3 months after the date of issue of the Prospectus, (or such period as varied by the ASIC), the Company will not issue any Shares and will repay all application monies for the Shares within the time prescribed under the Corporations Act, without interest.

The fact that ASX may grant Official Quotation to the Shares is not to be taken in any way as an indication of the merits of the Company or the Shares now offered for subscription.

4.10 Issue of Securities

Securities issued pursuant to the Offer will be issued in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus.

Securities issued pursuant to the Shortfall Offer will be issued on a progressive basis. Where the number of Securities issued is less than the number applied for, or where no issue is made surplus application monies will be refunded without any interest to the Applicant as soon as practicable after the closing date of the Shortfall Offer.

Pending the issue of the Securities or payment of refunds pursuant to this Prospectus, all application monies will be held by the Company in trust for the Applicants in a separate bank account as required by the Corporations Act. The Company, however, will be entitled to retain all interest that accrues on the bank account and each Applicant waives the right to claim interest.

Holding statements for Securities issued under the Offer will be mailed in accordance with the ASX Listing Rules and timetable set out at the commencement of this Prospectus and for Shortfall Securities issued under the Shortfall Offer as soon as practicable after their issue.

4.11 Overseas shareholders

This Offer does not, and is not intended to, constitute an offer in any place or jurisdiction in which, or to any person to whom, it would not be lawful to make such an offer or to issue this Prospectus.

It is not practicable for the Company to comply with the securities laws of overseas jurisdictions having regard to the number of overseas Shareholders, the number and value of Shares these Shareholders would be offered and the cost of complying with regulatory requirements in each relevant jurisdiction. Accordingly, the Offer is not being extended and Shares will not be issued to Shareholders with a registered address which is outside Australia or New Zealand.

The Offer is being made in New Zealand pursuant to the Securities Act (Overseas Companies) Exemption Notice 2013.

Shareholders resident in Australia or New Zealand holding Shares on behalf of persons who are resident overseas are responsible for ensuring that taking up an Entitlement under the Offer does not breach regulations in the relevant overseas jurisdiction. Return of a duly completed Entitlement and Acceptance Form will be taken by the Company to constitute a representation that there has been no breach of those regulations.

4.12 Enquiries

Any questions concerning the Offer should be directed to the Company Secretary, Sholom Feldman on +61 2 9291 9000 or via email at sfeldman@queenslandbauxite.com.au.

5. PURPOSE AND EFFECT OF THE OFFER

5.1 Purpose of the Offer

The purpose of the Offer is to raise up to \$1,782,167.

The funds raised from the Offer are planned to be used in accordance with the table set out below:

Item	Proceeds of the Offer	50% Subscription (\$)	Full Subscription (\$)	% on Full Subscription
1.	Mineral exploration - South Johnstone Bauxite Project	\$500,000	\$1,000,000	56.11%
2.	Mining Lease and Development - South Johnstone Bauxite Project	\$250,000	\$500,000	28.06%
3.	Expenses of the Offer ¹	\$30,000	\$30,000	1.68%
4.	General working capital	\$111,084	\$252,167	14.15%
	Total	\$891,084	\$1,782,167	100.00%

Notes:

1. Refer to Section 8.8 of this Prospectus for further details relating to the estimated expenses of the Offer.

The above table is a statement of current intentions as of the date of this Prospectus. As with any budget, intervening events including exploration success or failure and new circumstances have the potential to affect the manner in which the funds are ultimately applied. The Board reserves the right to alter the way funds are applied on this basis.

5.2 Effect of the Offer

The principal effect of the Offer, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, will be to:

- (a) increase the cash reserves by \$1,752,167 (after deducting the estimated expenses of the Offer) immediately after completion of the Offer;
- (b) increase the number of Shares on issue from 509,190,597 as at the date of this Prospectus to 636,488,246 Shares; and
- (c) increase the number of Options on issue from 198,850,000 as at the date of this Prospectus to 262,498,825 Options following completion of the Offer.

5.3 Pro-forma balance sheet

The unaudited balance sheet as at 31 December 2014 and the unaudited pro-forma balance sheet as at 31 December 2014 shown below have been

prepared on the basis of the accounting policies normally adopted by the Company and reflect the changes to its financial position.

The pro-forma balance sheet has been prepared assuming all Entitlements are accepted, no Options are exercised prior to the Record Date and including expenses of the Offer.

The pro-forma balance sheet has been prepared to provide investors with information on the assets and liabilities of the Company and pro-forma assets and liabilities of the Company as noted below. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial statements.

QUEENSLAND BAUXITE LIMITED

PROFORMA BALANCE SHEET (CONSOLIDATED) AS AT 31 DECEMBER 2014

	As at 31-Dec-14 \$	Pro forma \$
Current assets		
Cash and cash equivalents	4,347,780	6,129,947
Trade and other receivables	43,890	43,890
Total current assets	<u>4,391,670</u>	<u>6,173,837</u>
Non current assets		
Other non current assets	1,292	1,292
Exploration and evaluation expenditure	2,396,920	2,396,920
Property, plant and equipment	15,712	15,712
Total non current assets	<u>2,413,924</u>	<u>2,413,924</u>
Total assets	<u>6,805,594</u>	<u>8,587,761</u>
Current liabilities		
Trade and other payables	303,424	303,424
Other financial liabilities	297,143	297,143
Total current liabilities	<u>600,567</u>	<u>600,567</u>
Total liabilities	<u>600,567</u>	<u>600,567</u>
NET ASSETS	<u>6,205,027</u>	<u>7,987,194</u>
SHAREHOLDERS' EQUITY		
Share capital	17,000,800	18,782,967
Share based payments reserve	3,610,350	3,610,350
Accumulated losses	(14,406,123)	(14,406,123)
TOTAL SHAREHOLDERS' EQUITY	<u>6,205,027</u>	<u>7,987,194</u>

Notes:

1. Assumes full subscription under the Offer and expenses of the Offer being \$30,000.

5.4 Effect on capital structure

The effect of the Offer on the capital structure of the Company, assuming all Entitlements are accepted and no Options are exercised prior to the Record Date, is set out below.

Shares

	Number
Shares currently on issue	509,190,597
Shares offered pursuant to the Offer	127,297,649
Total Shares on issue after completion of the Offer	636,488,246

Options

	Number
Options currently on issue:	
Unquoted exercisable at \$0.30 on or before 31/12/15	350,000
Unquoted exercisable at \$0.05 on or before 31/12/15	65,000,000
Unquoted exercisable at \$0.25 on or before 31/12/15	1,000,000
Unquoted exercisable at \$0.03 on or before 02/07/16	12,500,000
Unquoted exercisable at \$0.03 on or before 11/11/16	90,000,000
Unquoted exercisable at \$0.08 on or before 16/09/17	10,000,000
Unquoted exercisable at \$0.10 on or before 16/09/17	10,000,000
Unquoted exercisable at \$0.15 on or before 16/09/17	5,000,000
Unquoted exercisable at \$0.20 on or before 16/09/17	5,000,000
Options to be issued pursuant to the Offer:	
Unquoted exercisable at \$0.10 on or before 31 July 2016	63,648,825
Total Options on issue after completion of the Offer	262,498,825

The capital structure on a fully diluted basis as at the date of this Prospectus would be 708,040,597 Shares and on completion of the Offer (assuming all Entitlements are accepted and all Options are exercised prior to the Record Date) would be 898,987,071 Shares.

5.5 Details of substantial holders

Based on publicly available information as at 2 February 2015, those persons which (together with their associates) have a relevant interest in 5% or more of the Shares on issue are set out below:

Shareholder	Shares	%
Volcan Australia Corporation Pty Ltd and 770 Unit	107,252,166	21.06

Trust		
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Notes:

1. Pnina Feldman and Sholom Feldman are each directors of L'Hayyim Pty Ltd which holds 2,252,166 Shares in its capacity as trustee of the 770 Unit Trust.
2. Pnina Feldman and Sholom Feldman are each directors of Volcan Australia Corporation Pty Ltd which holds 105,000,000 Shares and 65,000,000 Options exercisable at 5 cents each on or before 31 December 2015.

Volcan Australia Corporation Pty Ltd has indicated that they intend to subscribe for their entitlements under the Offer and L'Hayyim Pty Ltd as trustee of the 770 Unit Trust has indicated that they do not intend to subscribe for their entitlements under the Offer. In the event that this occurs and the Offer is otherwise fully unsubscribed then:

- (a) Volcan Australia Corporation Pty Ltd's relevant interest in Shares may increase to 131,250,000 Shares and **24.51%** (from a previous holding of **24.34%**, being 105,000,000 of the 431,458,434 Shares on issue six (6) months ago and representing an increase of 0.17% during the six (6) month period ending at the conclusion of the Offer); and
- (b) Volcan Australia Corporation Pty Ltd and L'Hayyim Pty Ltd as trustee of the 770 Unit Trust's collective relevant interest in Shares may increase to 133,502,166 Shares and **24.93%** (from a previous holding of **24.86%** being 107,252,166 of the 431,458,434 Shares on issue six (6) months ago and representing an increase of 0.07% during the six (6) month period ending at the conclusion of the Offer).

In the event that Volcan Australia Corporation Pty Ltd does subscribe for their entitlements under the Offer, no breach of section 606 of the Corporations Act will occur as such subscription and issue of Securities will fall within the exception to section 606 of the Corporations Act under Item 9 of section 611 of the Corporations Act. Furthermore, the Company will not issue any Securities under the Shortfall Offer to either Volcan Australia Corporation Pty Ltd or L'Hayyim Pty Ltd as trustee of the 770 Unit Trust.

In the event all Entitlements are accepted there will be no change to the substantial holders on completion of the Offer.

6. RIGHTS AND LIABILITIES ATTACHING TO SECURITIES

6.1 Shares

The following is a summary of the more significant rights and liabilities attaching to Shares being offered pursuant to this Prospectus. This summary is not exhaustive and does not constitute a definitive statement of the rights and liabilities of Shareholders. To obtain such a statement, persons should seek independent legal advice.

Full details of the rights and liabilities attaching to Shares are set out in the Constitution, a copy of which is available for inspection at the Company's registered office during normal business hours.

(a) General meetings

Shareholders are entitled to be present in person, or by proxy, attorney or representative to attend and vote at general meetings of the Company.

Shareholders may requisition meetings in accordance with section 249D of the Corporations Act and the Constitution of the Company.

(b) Voting rights

Subject to any rights or restrictions for the time being attached to any class or classes of shares, at general meetings of shareholders or classes of shareholders:

- (i) each Shareholder entitled to vote may vote in person or by proxy, attorney or representative;
- (ii) on a show of hands, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder has one vote; and
- (iii) on a poll, every person present who is a Shareholder or a proxy, attorney or representative of a Shareholder shall, in respect of each fully paid Share held by him, or in respect of which he is appointed a proxy, attorney or representative, have one vote for each Share held, but in respect of partly paid shares shall have such number of votes as bears the same proportion to the total of such Shares registered in the Shareholder's name as the amount paid (not credited) bears to the total amounts paid and payable (excluding amounts credited).

(c) Dividend rights

Subject to the rights of any preference Shareholders and to the rights of the holders of any shares created or raised under any special arrangement as to dividend, the Directors may from time to time declare a dividend to be paid to the Shareholders entitled to the dividend which shall be payable on all Shares according to the proportion that the amount paid (not credited) is of the total amounts paid and payable (excluding amounts credited) in respect of such Shares.

No dividend shall carry interest as against the Company. The Directors may set aside out of the profits of the Company any amounts that they may determine as reserves, to be applied at the discretion of the Directors, for any purpose for which the profits of the Company may be properly applied.

(d) Winding-up

If the Company is wound up, the liquidator may, with the authority of a special resolution, divide among the Shareholders in kind the whole or any part of the property of the Company, and may for that purpose set such value as he considers fair upon any property to be so divided, and may determine how the division is to be carried out as between the Shareholders or different classes of Shareholders.

The liquidator may, with the authority of a special resolution, vest the whole or any part of any such property in trustees upon such trusts for the benefit of the contributories as the liquidator thinks fit, but so that no Shareholder is compelled to accept any shares or other securities in respect of which there is any liability.

(e) Shareholder liability

As the Shares issued will be fully paid shares, they will not be subject to any calls for money by the Directors and will therefore not become liable for forfeiture.

(f) Transfer of shares

Generally, shares in the Company are freely transferable, subject to formal requirements, the registration of the transfer not resulting in a contravention of or failure to observe the provisions of a law of Australia and the transfer not being in breach of the Corporations Act and the ASX Listing Rules.

(g) Future increase in capital

The issue of any new Shares is under the control of the Directors of the Company. Subject to restrictions on the issue or grant of Securities contained in the ASX Listing Rules, the Constitution and the Corporations Act (and without affecting any special right previously conferred on the holder of an existing share or class of shares), the Directors may issue Shares as they shall, in their absolute discretion, determine.

(h) Variation of rights

Under section 246B of the Corporations Act, the Company may, with the sanction of a special resolution passed at a meeting of Shareholders vary or abrogate the rights attaching to shares.

If at any time the share capital is divided into different classes of shares, the rights attached to any class (unless otherwise provided by the terms of issue of the shares of that class), whether or not the Company is being wound up, may be varied or abrogated with the consent in writing of the holders of three quarters of the issued shares of that class, or if authorised by a special resolution passed at a separate meeting of the holders of the shares of that class.

(i) Alteration of constitution

In accordance with the Corporations Act, the Constitution can only be amended by a special resolution passed by at least three quarters of Shareholders present and voting at the general meeting. In addition, at least 28 days written notice specifying the intention to propose the resolution as a special resolution must be given.

6.2 Options

(a) Entitlement

Each Option entitles the holder to subscribe for one Share upon exercise of the Option.

(b) Exercise Price

Subject to paragraph (j), the amount payable upon exercise of each Option will be \$0.10 (**Exercise Price**)

(c) Expiry Date

Each Option will expire at 5:00 pm (WST) on 31 July 2016 (**Expiry Date**). An Option not exercised before the Expiry Date will automatically lapse on the Expiry Date.

(d) Exercise Period

The Options are exercisable at any time on or prior to the Expiry Date (**Exercise Period**).

(e) Notice of Exercise

The Options may be exercised during the Exercise Period by notice in writing to the Company in the manner specified on the Option certificate (**Notice of Exercise**) and payment of the Exercise Price for each Option being exercised in Australian currency by electronic funds transfer or other means of payment acceptable to the Company.

(f) Exercise Date

A Notice of Exercise is only effective on and from the later of the date of receipt of the Notice of Exercise and the date of receipt of the payment of the Exercise Price for each Option being exercised in cleared funds (**Exercise Date**).

(g) Timing of issue of Shares on exercise

Within 15 Business Days after the Exercise Date, the Company will:

- (i) allot and issue the number of Shares required under these terms and conditions in respect of the number of Options specified in the Notice of Exercise and for which cleared funds have been received by the Company;
- (ii) if required, give ASX a notice that complies with section 708A(5)(e) of the Corporations Act, or, if the Company is unable to issue such a notice, lodge with ASIC a prospectus prepared

in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors; and

- (iii) if admitted to the official list of ASX at the time, apply for official quotation on ASX of Shares issued pursuant to the exercise of the Options.

If a notice delivered under (g)(ii) for any reason is not effective to ensure that an offer for sale of the Shares does not require disclosure to investors, the Company must, no later than 20 Business Days after becoming aware of such notice being ineffective, lodge with ASIC a prospectus prepared in accordance with the Corporations Act and do all such things necessary to satisfy section 708A(11) of the Corporations Act to ensure that an offer for sale of the Shares does not require disclosure to investors.

(h) Shares issued on exercise

Shares issued on exercise of the Options rank equally with the then issued shares of the Company.

(i) Quotation of Shares issued on exercise

If admitted to the official list of ASX at the time, application will be made by the Company to ASX for quotation of the Shares issued upon the exercise of the Options.

(j) Reconstruction of capital

If at any time the issued capital of the Company is reconstructed, all rights of an Optionholder are to be changed in a manner consistent with the Corporations Act and the ASX Listing Rules at the time of the reconstruction.

(k) Participation in new issues

There are no participation rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options without exercising the Options.

(l) Change in exercise price

An Option does not confer the right to a change in Exercise Price or a change in the number of underlying securities over which the Option can be exercised.

(m) Unquoted

The Company will not apply for quotation of the Options on ASX.

(n) Transferability

The Options are transferable subject to any restriction or escrow arrangements imposed by ASX or under applicable Australian securities laws.

7. RISK FACTORS

7.1 Introduction

The Securities offered under this Prospectus are considered highly speculative. An investment in the Company is not risk free and the Directors strongly recommend potential investors to consider the risk factors described below, together with information contained elsewhere in this Prospectus and to consult their professional advisers before deciding whether to apply for Shares pursuant to this Prospectus.

There are specific risks which relate directly to the Company's business. In addition, there are other general risks, many of which are largely beyond the control of the Company and the Directors. The risks identified in this section, or other risk factors, may have a material impact on the financial performance of the Company and the market price of the Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

7.2 Company specific

(a) Future Capital Requirements

The Company may be required to raise additional funds in the event exploration, development and mining costs exceed the Company's estimates and to effectively implement its business and operations plans in the future, to take advantage of opportunities for acquisitions, joint ventures or other business opportunities, and to meet any unanticipated liabilities or expenses which the Company may incur.

The Company may seek to raise further funds through equity or debt financing, joint ventures, production sharing arrangements or other means. Failure to obtain sufficient financing for the Company's activities and future projects may result in delay and indefinite postponement of exploration, mining or development on the Company's Projects, or even loss of a property interest. There can be no assurance that additional finance will be available when needed or, if available, the terms of the financing might not be favourable to the Company and might involve substantial dilution to Shareholders.

Loan agreements and other financing rearrangements such as debt facilities, convertible note issues and finance leases (and any related guarantee and security) that may be entered into by the Company may contain covenants, undertakings and other provisions which, if breached, may entitle lenders to accelerate repayment of loans and there is no assurance that the Company would be able to repay such loans in the event of an acceleration. Enforcement of any security granted by the Company or default under a finance lease could also result in the loss of assets.

(b) Trading Price of the Company Shares

The Company's operating results, economic and financial prospects and other factors will affect the trading price of the Company Shares. In addition, the price of The Company Shares is subject to varied and often unpredictable influences on the market for equities, including, but not limited to general economic conditions including the Australian

dollar and United States dollar performance on world markets, inflation rates, foreign exchange rates and interest rates, variations in the general market for listed stocks in general or Australian mining stocks in particular, changes to government policy, legislation or regulation, industrial disputes, general operational and business risks and hedging or arbitrage trading activity that may develop involving the Shares.

In particular, the share prices for many companies have been and may in the future be highly volatile, which in many cases may reflect a diverse range of non-company specific influences such as global hostilities and tensions relating to certain unstable regions of the world, acts of terrorism and the general state of the global economy. No assurances can be made that the Company's market performance will not be adversely affected by any such market fluctuations or factors.

(c) Dilution

Upon implementation of the Offer the number of Shares in the Company will increase from 509,109,597 currently on issue to 636,488,246 Shares (assuming full subscription under the Offer). This means existing Shareholders may have their existing Shareholdings in the Company diluted by up to approximately 20%.

7.3 Risks relating to the Company's operations

(a) Exploration and Development Risks

The business of exploration, project development and production, by its nature, contains elements of significant risk with no guarantee of success. Ultimate and continuous success of these activities is dependent on many factors such as:

- (i) the discovery and/or acquisition of economically recoverable reserves;
- (ii) access to adequate capital for project development;
- (iii) design and construction of efficient development and production infrastructure within capital expenditure budgets;
- (iv) securing and maintaining title to interests;
- (v) obtaining consents and approvals necessary for the conduct of copper exploration, development and production; and
- (vi) access to competent operational management and prudent financial administration, including the availability and reliability of appropriately skilled and experienced employees, contractors and consultants.

Whether or not income will result from the Company's projects undergoing an exploration and development program depends on successful exploration and establishment of production facilities. Factors including costs and reliability and commodity prices affect successful project development and operations.

Mining activities carry risk and as such, activities may be curtailed, delayed or cancelled as a result of weather conditions, mechanical difficulties, shortages or delays in the delivery of equipment.

Industry operating risks include fire, explosions, industrial disputes, unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, mechanical failure or breakdown and environmental hazards such as accidental spills or leakages, or geological uncertainty. The occurrence of any of these risks could result in legal proceedings against the Company and substantial losses to the Company due to injury or loss of life, damage to or destruction of property, natural resources or equipment, pollution or other environmental damage, cleanup responsibilities, regulatory investigation, and penalties or suspension of operations. Damage occurring to third parties as a result of such risks may give rise to claims against the Company.

There is no assurance that any exploration on current or future interests will result in the discovery of an economic deposit of copper. Even if an apparently viable deposit is identified, there is no guarantee that it can be economically developed.

(b) Licence applications and renewal risk

The licences constituting the Company's projects are subject to applications for renewal or grant (as the case may be). The renewal or grant of the terms of each licence is usually at the discretion of the relevant government authority. Additionally, licences are subject to a number of specific legislative conditions. The inability to meet these conditions could affect the standing of a licence or restrict its ability to be renewed.

If a licence is not renewed or granted, the Company may suffer significant damage through the loss of opportunity to develop and discover mineral resources on that licence.

(c) Environmental risk

The Company's projects are subject to rules and regulations regarding environmental matters including obtaining the approval of an environmental impact study or assessment depending on location and impacts. As with all mineral projects, the Company's project is expected to have a variety of environmental impacts should development proceed. Development of the Company's projects will be dependent on the Company satisfying environmental guidelines and, where required, being approved by government authorities.

Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations that may be adopted in the future, including whether any such laws or regulations would materially increase the Company's costs of doing business or affect its operations in any area.

(d) Commodity price fluctuations

In the event of exploration and development success, any future revenue derived through any future sales of copper exposes the

potential income of the Company to commodity price and exchange rate risks. Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for commodities, forward selling by producers and the level of production costs in major commodity-producing regions. Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, commodities.

(e) Compliance Risk

The Company operates in a highly regulated industry and could be exposed to significant compliance costs, which may increase if regulations change.

(f) Competitor Risk

The Company competes with various other resource companies in relation to the identification and capture of suitable exploration and production properties. Competition with other companies may also have an impact on recruitment and retention of suitably qualified employees.

7.4 General risks

(a) Economic

General economic conditions, movements in interest and inflation rates and currency exchange rates may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

(b) Market conditions

Share market conditions may affect the value of the Company's quoted securities regardless of the Company's operating performance. Share market conditions are affected by many factors such as:

- (i) general economic outlook;
- (ii) introduction of tax reform or other new legislation;
- (iii) interest rates and inflation rates;
- (iv) changes in investor sentiment toward particular market sectors;
- (v) the demand for, and supply of, capital; and
- (vi) terrorism or other hostilities.

The market price of securities can fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource exploration stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Additional requirements for capital

The Company's capital requirements depend on numerous factors. Depending on the Company's ability to generate income from its operations, the Company may require further financing in addition to amounts raised under the Offer. Any additional equity financing will dilute shareholdings, and debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations and scale back its exploration programmes as the case may be. There is however no guarantee that the Company will be able to secure any additional funding or be able to secure funding on terms favourable to the Company.

(d) Dividends

Any future determination as to the payment of dividends by the Company will be at the discretion of the Directors and will depend on the financial condition of the Company, future capital requirements and general business and other factors considered relevant by the Directors. No assurance in relation to the payment of dividends or franking credits attaching to dividends can be given by the Company.

(e) Reliance on key personnel

The responsibility of overseeing the day-to-day operations and the strategic management of the Company depends substantially on its senior management and its key personnel. There can be no assurance given that there will be no detrimental impact on the Company if one or more of these employees cease their employment.

7.5 Speculative investment

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Shares offered under this Prospectus.

Therefore, the Shares be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Shares.

Potential investors should consider that the investment in the Company is speculative and should consult their professional advisers before deciding whether to apply for Securities pursuant to this Prospectus.

8. ADDITIONAL INFORMATION

8.1 Litigation

As at the date of this Prospectus, the Company is not involved in any legal proceedings and the Directors are not aware of any legal proceedings pending or threatened against the Company.

8.2 Continuous disclosure obligations

The Company is a “disclosing entity” (as defined in section 111AC of the Corporations Act) for the purposes of section 713 of the Corporations Act and, as such, is subject to regular reporting and disclosure obligations. Specifically, like all listed companies, the Company is required to continuously disclose any information it has to the market which a reasonable person would expect to have a material effect on the price or the value of the Company’s securities.

This Prospectus is a “transaction specific prospectus”. In general terms a “transaction specific prospectus” is only required to contain information in relation to the effect of the issue of securities on a company and the rights attaching to the securities. It is not necessary to include general information in relation to all of the assets and liabilities, financial position, profits and losses or prospects of the issuing company.

This Prospectus is intended to be read in conjunction with the publicly available information in relation to the Company which has been notified to ASX and does not include all of the information that would be included in a prospectus for an initial public offering of securities in an entity that is not already listed on a stock exchange. Investors should therefore have regard to the other publicly available information in relation to the Company before making a decision whether or not to invest.

Having taken such precautions and having made such enquires as are reasonable, the Company believes that it has complied with the general and specific requirements of ASX as applicable from time to time throughout the 3 months before the issue of this Prospectus which required the Company to notify ASX of information about specified events or matters as they arise for the purpose of ASX making that information available to the stock market conducted by ASX.

Information that is already in the public domain has not been reported in this Prospectus other than that which is considered necessary to make this Prospectus complete.

The Company, as a disclosing entity under the Corporations Act states that:

- (a) it is subject to regular reporting and disclosure obligations;
- (b) copies of documents lodged with the ASIC in relation to the Company (not being documents referred to in section 1274(2)(a) of the Corporations Act) may be obtained from, or inspected at, the offices of the ASIC; and
- (c) it will provide a copy of each of the following documents, free of charge, to any person on request between the date of issue of this Prospectus and the Closing Date:

- (i) the annual financial report most recently lodged by the Company with the ASIC;
- (ii) any half-year financial report lodged by the Company with the ASIC after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC; and
- (iii) any continuous disclosure documents given by the Company to ASX in accordance with the ASX Listing Rules as referred to in section 674(1) of the Corporations Act after the lodgement of the annual financial report referred to in (i) and before the lodgement of this Prospectus with the ASIC.

Copies of all documents lodged with the ASIC in relation to the Company can be inspected at the registered office of the Company during normal office hours.

Details of documents lodged by the Company with ASX since the date of lodgement of the Company's latest annual financial report and before the lodgement of this Prospectus with the ASIC are set out in the table below.

Date	Description of Announcement
10/02/2015	Heads of Agreement Signed with Port Authority
06/02/2015	Sample letter to eligible shareholders
06/02/2015	Sample letter to ineligible shareholders
05/02/2015	Letter to Option Holders re Rights Issue
05/02/2015	Sample Application Form
05/02/2015	Amended 3B
05/02/2015	Chairpersons Letter
05/02/2015	Prospectus
05/02/2015	Appendix 3B
03/02/2015	Mine Planning, Approvals and Production Support
30/01/2015	Quarterly Activities and Cashflow Report
09/01/2015	Environmental and Mining Approvals Update
29/12/2014	Reinstatement to Official Quotation
29/12/2014	Quarterly Activities and Cashflow Report
29/12/2014	Upgrade of Resource & Scoping Study
24/12/2014	Progress Update
11/12/2014	Report Update
03/12/2014	Update Regarding Resource Upgrade
25/11/2014	Results of AGM
18/11/2014	Resource Upgrade Update
12/11/2014	Update re Release of Resource Upgrade
04/11/2014	Suspension Request

Date	Description of Announcement
04/11/2014	Suspension
31/10/2014	Trading Halt
30/10/2014	Response to Price Query
30/10/2014	Results of Scoping Study Confirm Project Potential
27/10/2014	Notice of Annual General Meeting/Proxy Form
03/10/2014	Update South Johnstone Bauxite Project
01/10/2014	Appendix 3B

ASX maintains files containing publicly available information for all listed companies. The Company's file is available for inspection at ASX during normal office hours.

The announcements are also available through the Company's website www.queenslandbauxite.com.au.

8.3 Market price of shares

The Company is a disclosing entity for the purposes of the Corporations Act and its Shares are enhanced disclosure securities quoted on ASX.

The highest, lowest and last market sale prices of the Shares on ASX during the three months immediately preceding the date of lodgement of this Prospectus with the ASIC and the respective dates of those sales were:

Highest	0.027	3 November – 30 December 2014
Lowest	0.015	28 January 2015
Last	0.016	10 February 2015

8.4 Material contracts

There are no undisclosed material agreements which relate to the business of the Company.

8.5 Interests of Directors

Other than as set out in this Prospectus, no Director or proposed Director holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (a) the formation or promotion of the Company;
- (b) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or
- (c) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to a Director or proposed Director:

- (a) as an inducement to become, or to qualify as, a Director; or
- (b) for services provided in connection with:
 - (i) the formation or promotion of the Company; or
 - (ii) the Offer.

Security holdings

The relevant interest of each of the Directors in the securities of the Company as at the date of this Prospectus, together with their respective Entitlement, is set out in the table below.

Director	Shares	Options
Pnina Feldman	107,252,166	65,000,000
Sholom Feldman	107,252,166	65,000,000
Meyer Gutnick	5,000,000	Nil
David Austin	Nil	Nil

Notes:

1. Pnina Feldman and Sholom Feldman are each directors of L'Hayyim Pty Ltd which holds 2,252,166 Shares in its capacity as trustee of the 770 Unit Trust.
2. Pnina Feldman and Sholom Feldman are each directors of Volcan Australia Corporation Pty Ltd which holds 105,000,000 Shares and 65,000,000 Options exercisable at 5 cents each on or before 31 December 2015.

The Board recommends all Shareholders take up their Entitlement and advises that all Directors intend to take up their respective Entitlements.

Remuneration

The remuneration of an executive Director is decided by the Board, without the affected executive Director participating in that decision-making process. The total maximum remuneration of non-executive Directors is initially set by the Constitution and subsequent variation is by ordinary resolution of Shareholders in general meeting in accordance with the Constitution, the Corporations Act and the ASX Listing Rules, as applicable. The determination of non-executive Directors' remuneration within that maximum will be made by the Board having regard to the inputs and value to the Company of the respective contributions by each non-executive Director. The current amount has been set at an amount not to exceed \$70,000 per annum.

A Director may be paid fees or other amounts (ie non-cash performance incentives such as Options, subject to any necessary Shareholder approval) as the other Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director. In addition, Directors are also entitled to be paid reasonable travelling, hotel and other expenses incurred by them respectively in or about the performance of their duties as Directors.

The following table shows the total (and proposed) annual remuneration paid to both current executive and non-executive directors.

Director	2013	2014	2015
Pnina Feldman	\$84,000	\$108,000	\$108,000
Sholom Feldman	\$84,000	\$108,000	\$108,000
Meyer Gutnick	Nil	\$35,000	\$70,000
David Austin	Nil	Nil	\$20,000

Other

Shareholders should be aware that Mr Sholom Feldman, Executive Director and Company Secretary is also a Director and Shareholder of two private companies (New England Sapphire Corporation Pty Ltd and L'Hayyim Pty Ltd) that had administrators appointed in 2013 due to an inability of those companies to generate sufficient revenue from their respective businesses through the GFC to pay their financiers and creditors when due.

The Board (with Mr Sholom Feldman abstaining) considered the above circumstances surrounding Mr Sholom Feldman's involvement in the abovementioned companies, both now and at the time of his appointment and consider that in no way does his involvement in those companies impact his ongoing appointment and contribution to the Company.

Shareholders should be aware that Company Chairperson Pnina Feldman is also a Director of L'Hayyim Pty Ltd.

The Board (with Pnina Feldman abstaining) considered the above circumstances surrounding Pnina Feldman's involvement in L'Hayyim Pty Ltd, both now and at the time of her appointment and consider that in no way does her involvement in those companies impact her ongoing appointment and contribution to the Company.

8.6 Interests of experts and advisers

Other than as set out below or elsewhere in this Prospectus, no:

- (a) person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of this Prospectus;
- (b) promoter of the Company; or
- (c) underwriter (but not a sub-underwriter) to the issue or a financial services licensee named in this Prospectus as a financial services licensee involved in the issue,

holds, or has held within the 2 years preceding lodgement of this Prospectus with the ASIC, any interest in:

- (d) the formation or promotion of the Company;
- (e) any property acquired or proposed to be acquired by the Company in connection with:
 - (i) its formation or promotion; or
 - (ii) the Offer; or

(f) the Offer,

and no amounts have been paid or agreed to be paid and no benefits have been given or agreed to be given to any of these persons for services provided in connection with:

(g) the formation or promotion of the Company; or

(h) the Offer.

Steinepreis Paganin has acted as the solicitors to the Company in relation to the Offer. The Company estimates it will pay Steinepreis Paganin \$15,000 (excluding GST and disbursements) for these services. During the 24 months preceding lodgement of this Prospectus with the ASIC, Steinepreis Paganin has not been paid any fees for legal services provided to the Company.

8.7 Consents

Each of the parties referred to in this Section:

(a) does not make, or purport to make, any statement in this Prospectus other than those referred to in this Section;

(b) to the maximum extent permitted by law, expressly disclaim and take no responsibility for any part of this Prospectus other than a reference to its name and a statement included in this Prospectus with the consent of that party as specified in this Section;

(c) Steinepreis Paganin has given its written consent to being named as the solicitors to the Company in this Prospectus. Steinepreis Paganin has not withdrawn its consent prior to the lodgement of this Prospectus with the ASIC; and

(d) Computershare Investor Services Pty Limited has given and, as at the date hereof, has not withdrawn, its written consent to be named Share Registrar in the form and context in which it is named. Computershare Investor Services Pty Limited has had no involvement in the preparation of any part of the Prospectus other than being named as Share Registrar to the Company. Computershare Investor Services Pty Limited has not authorised or caused the issue of, and expressly disclaims and takes no responsibility for, any part of the Prospectus.

8.8 Expenses of the offer

In the event that all Entitlements are accepted, the total expenses of the Offer are estimated to be approximately \$30,000 (excluding GST) and are expected to be applied towards the items set out in the table below:

	\$
ASIC fees	2,290
ASX fees	6,474
Legal fees	15,000
Printing and distribution	6,236
Total	<u>30,000</u>

8.9 Electronic prospectus

If you have received this Prospectus as an electronic Prospectus, please ensure that you have received the entire Prospectus accompanied by the Application Forms. If you have not, please phone the Company on +61 2 9291 9000 and the Company will send you, for free, either a hard copy or a further electronic copy of the Prospectus, or both. Alternatively, you may obtain a copy of this Prospectus from the Company's website at www.queenslandbauxite.com.au.

The Company reserves the right not to accept an Application Form from a person if it has reason to believe that when that person was given access to the electronic Application Form, it was not provided together with the electronic Prospectus and any relevant supplementary or replacement prospectus or any of those documents were incomplete or altered.

8.10 Financial forecasts

The Directors have considered the matters set out in ASIC Regulatory Guide 170 and believe that they do not have a reasonable basis to forecast future earnings on the basis that the operations of the Company are inherently uncertain. Accordingly, any forecast or projection information would contain such a broad range of potential outcomes and possibilities that it is not possible to prepare a reliable best estimate forecast or projection.

8.11 Clearing House Electronic Sub-Register System (CHES) and Issuer Sponsorship

The Company will not be issuing share certificates. The Company is a participant in CHES, for those investors who have, or wish to have, a sponsoring stockbroker. Investors who do not wish to participate through CHES will be issuer sponsored by the Company. Because the sub-registers are electronic, ownership of securities can be transferred without having to rely upon paper documentation.

Electronic registers mean that the Company will not be issuing certificates to investors. Instead, investors will be provided with a statement (similar to a bank account statement) that sets out the number of Shares issued to them under this Prospectus. The notice will also advise holders of their Holder Identification Number or Security Holder Reference Number and explain, for future reference, the sale and purchase procedures under CHES and issuer sponsorship.

Further monthly statements will be provided to holders if there have been any changes in their security holding in the Company during the preceding month.

8.12 Privacy Act

If you complete an application for Shares, you will be providing personal information to the Company (directly or by the Company's share registry). The Company collects, holds and will use that information to assess your application, service your needs as a holder of equity securities in the Company, facilitate distribution payments and corporate communications to you as a Shareholder and carry out administration.

The information may also be used from time to time and disclosed to persons inspecting the register, bidders for your securities in the context of takeovers, regulatory bodies, including the Australian Taxation Office, authorised securities brokers, print service providers, mail houses and the Company's share registry.

You can access, correct and update the personal information that we hold about you. Please contact the Company or its share registry if you wish to do so at the relevant contact numbers set out in this Prospectus.

Collection, maintenance and disclosure of certain personal information is governed by legislation including the Privacy Act 1988 (Cth) (as amended), the Corporations Act and certain rules such as the ASX Settlement Operating Rules. You should note that if you do not provide the information required on the application for Shares, the Company may not be able to accept or process your application.

9. DIRECTORS' AUTHORISATION

This Prospectus is issued by the Company and its issue has been authorised by a resolution of the Directors.

In accordance with section 720 of the Corporations Act, each Director has consented to the lodgement of this Prospectus with the ASIC.



Sholom Feldman
Executive Director
For and on behalf of
QUEENSLAND BAUXITE LIMITED

10. GLOSSARY

\$ means the lawful currency of the Commonwealth of Australia.

Applicant means a Shareholder who applies for Shares pursuant to the Offer or a Shareholder or other party who applies for Shortfall Shares pursuant to the Shortfall Offer.

Application Form means an Entitlement and Acceptance Form or Shortfall Application Form as the context requires.

ASIC means the Australian Securities and Investments Commission.

ASX means ASX Limited (ACN 008 624 691) or the financial market operated by it as the context requires.

ASX Listing Rules means the listing rules of the ASX.

ASX Settlement Operating Rules means the settlement rules of the securities clearing house which operates CHES.

Board means the board of Directors unless the context indicates otherwise.

Business Day means Monday to Friday inclusive, except New Year's Day, Good Friday, Easter Monday, Christmas Day, Boxing Day and any other day that ASX declares is not a business day.

Closing Date means the date specified in the timetable set out at the commencement of this Prospectus (unless extended).

Company means Queensland Bauxite Limited (ACN 124 873 507).

Constitution means the constitution of the Company as at the date of this Prospectus.

Corporations Act means the *Corporations Act 2001* (Cth).

Directors means the directors of the Company as at the date of this Prospectus.

Entitlement means the entitlement of a Shareholder who is eligible to participate in the Offer.

Entitlement and Acceptance Form means the entitlement and acceptance form either attached to or accompanying this Prospectus.

Offer means the non-renounceable entitlement issue the subject of this Prospectus.

Official Quotation means official quotation on ASX.

Option means an option to acquire a Share.

Optionholder means a holder of an Option.

Prospectus means this replacement prospectus or the original prospectus dated 4 February 2015, as the context requires.

Record Date means the date specified in the timetable set out at the commencement of this Prospectus.

Securities mean those Shares and free attaching options offered pursuant to the Offer and Shortfall Offer.

Share means a fully paid ordinary share in the capital of the Company.

Shareholder means a holder of a Share.

Shortfall means the Securities not applied for under the Offer (if any).

Shortfall Application Form means the shortfall application form either attached to or accompanying this Prospectus.

Shortfall Offer means the offer of the Shortfall on the terms and conditions set out in Section 4.8 of this Prospectus.

Shortfall Securities means those Shares and free attaching options issued pursuant to the Shortfall.

WST means Western Standard Time as observed in Perth, Australia.