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South Johnstone Bauxite Project Progressing with two drilling programs underway

- Two drilling programs underway to fast track project development
- Additional drill samples sent to ALS Laboratory for assaying
- Current programme aimed at upgrading Indicated Mineral Resource to Measured Resource
- Mine Plan, environmental approvals and work for the mining development licence application all progressing

Queensland Bauxite Limited (ASX:QBL, or the "Company") is pleased to provide an update on drilling and corporate activities at its flagship South Johnstone Bauxite Project in northern Queensland.

Drilling continues apace as two drilling teams are now on site to expand the development of the project. Results from new drill holes are progressively being sent to ALS Laboratories for assaying.

The objective of the current drilling is to upgrade the current Indicated Mineral Resource under the 2012 JORC Code to a Measured Resource and to finalise the Initial Mine Plan.

QBL expects all samples from the current Indicated Resource area to be sent to the assay laboratory by the end of June with results made available shortly thereafter. The current program is the first drilling program aimed at increasing the mine life at South Johnstone and determining the depth of the mineralisation.

The current program has drilled down to 5 metres (previous depth averaged 1.0 – 1.5 metres), and infill drilling to 50 metre spacing is being undertaken which should enable the Company to add to the bauxite resource base, identify the depth of the resource, and upgrade the classification of the Resource to a Measured Resource.

New assay results will also aid in the progress of the detailed Mine Plan for submission to the Queensland Department of Natural Resources and Mines (DNRM) for an initial Mining Development Lease Application (MDLA).

67 Penkivil St
Bondi NSW 2026
Ph +61 2 9291 9000
Fax +61 2 9291 9099
Email sfeldman@queenslandbauxite.com.au
ABN 18 124 873 507

www.queenslandbauxite.com.au

This application is to be submitted as soon as practical after assay results are received and modelled. Environmental and mining engineering studies are being undertaken concurrently at the project area and are expected to conclude at the same time as the Initial Resource Mine Plan is completed, for submission to the DNRM for the MDLA.

Independent Market Analysis of South Johnstone Bauxite

Independent bauxite industry consultant group CM Group (CM) has provided input to assist the Company with its market analysis of the bauxite from South Johnstone as analysed by ALS Laboratories.

CM Group has stated: “The South Johnstone bauxite is suitable for low temperature Bayer processing as a single source feed to a refinery or it could equally be blended with other low temperature bauxites as a feed to refineries.”

“On the Total Available Alumina (TAA) and Reactive Silica (RS) figures, the South Johnstone bauxite has similar grade characteristics to the bauxites of the Darling Ranges in Western Australia, which form the basis for Western Australia’s world-class alumina industry.”

“The economics of South Johnstone bauxite were evaluated for both high temperature and low temperature Chinese refineries, the result being that low temperature processing is optimal for this bauxite. Being low temperature bauxite opens the market for the South Johnstone product to approximately 82% of the current Chinese merchant refinery capacity and increases the potential customer base.”

“When QBL-supplied costs for South Johnston are considered on a ViU-adjusted pricing basis (relative to the CBIX price index forecast), the South Johnstone bauxite project is positioned in Q2 of the China import margin curve, again sandwiched between Malaysia and Australia. In other words, on a ViU-adjusted basis, relative to CBIX, South Johnston bauxite could be treated at a lower cost than Malaysian bauxite, but a higher cost than Weipa bauxite.”

“The Chinese value quality bauxite, a diversified supply base, consistent supply and grades, and a SE Asia or Oceania location (to minimize freight costs). In this respect, if the South Johnstone project can provide a consistent quality of product, it will satisfy all of the value criteria. Thus the South Johnston project is well placed to supply the Chinese market.”

This assessment of QBL’s bauxite by CM Group is consistent with previous assessments and gives the Board further confidence that the current Indicated Resource has the ability to provide a consistent product suitable for the Chinese market.

The current drilling programme aims to further upgrade areas within the current Indicated Resource to JORC Measured Resource category, and further increase the ongoing mine life of the project. To this end each phase of drilling will look to incrementally increase the mine life of the project as drilling throughout the project area identifies additional bauxite mineral resources to support a long term export DSO operation.



Pnina Feldman
Executive Chairperson
Queensland Bauxite Limited

Competent Person Statement

The information in this announcement that relates to exploration results, 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.

For further information, please contact:

Queensland Bauxite Ltd

Tel: +61 (0)2 9291 9000

For further information or any queries please email the Company at:

sfeldman@queenslandbauxite.com.au



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.

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