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QBL progresses towards Mineral Development Licence and Mine Plan at South Johnstone DSO Bauxite Project

- Current drilling program aimed at upgrading quantity and classification of current Indicated Resource is now complete
- Samples currently being processed by ALS Laboratory – results will be modelled upon receipt of all assays
- Initial Measured Resource modelling to JORC standard expected to be available shortly
- Mine plan, environmental studies and works for the mineral development licence application (MDLA) on schedule
- The Granting of a MDL would enable shipping of bauxite from the South Johnstone Bauxite Project – currently scheduled for Q4 2015 – with the goal of proving the feasibility and viability of the South Johnstone Bauxite Project for the long term

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

A primary objective of the recently completed drilling program is to upgrade a portion of the current Indicated Mineral Resource under the 2012 JORC Code, to a Measured Resource, in order to finalise the initial mine plan for the Mineral Development Licence Application (MDLA). Within that specific area of the Indicated Resource, infill drilling to 50-metre spacing has been conducted to enable an upgrading of that area to a Measured Resource category.

Granting of the MDLA will facilitate immediate commencement of the first shipments of bauxite, and enable the Company to prove the long-term economic and operational feasibility of the entire project. The initial shipments are scheduled to commence in the fourth quarter of this year.

Results from this program will also be used to formulate the detailed Initial Mine Plan for submission to the Queensland Department of Natural Resources and Mines (DNRM) for the initial MDLA.

This application is to be submitted as soon as practical after the results are received and modelled. Environmental and mining engineering studies are also being undertaken concurrently 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.

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ALS Laboratories is currently analysing the samples, and results are progressively being sent to QBL to enable the further resource modelling to JORC standard. The initial modelling of the area that the Company intends to apply for the MDL and aims to report a JORC Compliant Measured Resource is currently underway.

The recently completed drill program was also aimed at increasing the bauxite tonnage quantity of the current Indicated Resource by determining the depth of the mineralisation within the Indicated Resource area.

As a result, drilling down to 5 metres (previous drilling depth averaged only 1.0 – 1.5 metres) has been undertaken within the previously reported Indicated Resource area. As many of those previous holes at 1.5 metres were still in bauxite mineralisation, with some deeper holes within the Indicated Resource still finding bauxite at over 4.5 metres depth, it is expected that the resultant tonnage calculations within the previously calculated Indicated Resource should increase following the modelling of the results of this programme. Once this process is complete it will be released to the market.

Following this drilling program, additional detailed drilling will be undertaken throughout the now identified extensive bauxite mineralisation throughout the tenement area to continuously increase mine life of the South Johnstone Project. This further drilling is expected to identify additional JORC Compliant Indicated and Measured Resources to support the long-term export DSO operation.

QBL's Managing Director Sholom Feldman commented: *"Now that this stage drilling program is complete, we will shortly report new upgraded resource modelling to JORC standard which facilitates the application for a Mineral Development Licence Application."*

"The granting of a MDL is a significant milestone that QBL is looking to achieve. Once we secure this MDL, QBL can commence its first shipping of bauxite, currently scheduled for the fourth quarter of this year, which is an important step towards not only commencement of mining, but also assist in our ongoing marketing and sales efforts of first bauxite to customers, and should serve the purpose of proving the long term viability of bauxite production from the South Johnstone Project."

"The second half of calendar 2015 is an exciting time for QBL with a number of significant developments occurring. South Johnstone is now firmly in the project development phase and we are well placed to deliver increased value to shareholders."

- Ends -



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.

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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.