Queensland Bauxite Limited

ABN 18 124 873 507

and Controlled Entities

Annual Financial Report

For the year ended 30 June 2015

30th September 2015

<u>Executive Chairperson's Letter to Shareholders</u>

Dear Fellow Shareholder,

On behalf of the team at Queensland Bauxite Limited, I am very pleased to be able to write this letter to you during a year when a tremendous amount has been achieved over the past 12 months.

QBL has evolved from a pure explorer into project development mode as we achieve milestones to bring the South Johnstone bauxite deposit in north Queensland into production in 2015.

The capital markets for juniors is still extremely challenging and a prime reason why QBL has ensured that it has built a sufficient level of cash resources to achieve our objectives and tailored our production strategy to the times.

We seek the grant of the Mineral Development License (MDL) to enable immediate commencement of the first shipments of bauxite.

The operational plan, environmental studies and works for the MDLA have now concluded and the documentation is currently being reviewed by the Department of Natural Resources and Mines.

Granting of the MDLA would 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.

During the year, focused detailed drilling programmes were undertaken with the aim of converting areas of the identified bauxite mineralisation at South Johnstone into the higher JORC classification of Indicated Mineral Resource within the South Johnstone tenement area.

The initial area that was targeted and drilled around the Camp Creek area identified as previously reported an Indicated Resource of approximately 2 million tonnes, and is further detailed later in this report. This area represents just 1% of the previously reported Bauxite Exploration Target Area of the Project. This Exploration Target estimate has been previously reported by the Company as released to the ASX of between 193 million tonnes to 405 million tonnes of bauxite mineralization.

Although the nature of an Exploration Target is that the potential quality and grade of the Exploration Target is conceptual in nature, and other than the JORC resource that

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has been defined as detailed in this report, there has been insufficient information to estimate a further Mineral Resource, and it is uncertain if further exploration will result in the estimation of a larger mineral resource, however further extensive regional drilling since this estimation is continuing to support this target of bauxite mineralisation and is illustrated by the map work in this report the result of the drilling to date.

Highlights of the past year included:

- A Scoping Study confirming the robust profit margin and profits from a bauxite export operation at South Johnstone.
- The Study also highlighted the low risk, extremely low capital expenditure and operating expenditure of the project.
- This is achievable in large part because of the existing infrastructure at the project as well as the close proximity to the Port of Mourilyan.
- A Heads of Agreement was signed with the Port that provides QBL with capacity for its export operation.
- Capital raisings strongly supported by shareholders, management and new shareholders.

We are excited as to the next 6 to 12 months ahead for QBL. Our belief is that the Company's shares are highly undervalued when taking into consideration upcoming milestones as well as levels of cash reserves.

We are grateful to all shareholders for your continued support. May you reap the rewards together with us as we go from strength to strength.

Yours sincerely,

Pnina Feldman
Executive Chairperson
Queensland Bauxite Limited

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Corporate Directory

Directors

Pnina Feldman
(Executive Chairman)

Sholom Feldman
(Executive Director, CEO)

Meyer Gutnick
(Non-Executive Director)

David Austin
(Alternate Director)

Company Secretary

Sholom Feldman

Registered Office

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Auditors

Nexia Court & Co, Chartered Accountants
Level 16
1 Market Street
Sydney NSW 2000

Telephone: (02) 9251 4600

Bankers

Bank of Western Australia
Sydney NSW 2000

Share Registry

Computershare Investor Services Pty Limited
Level 11
172 St Georges Terrace
Perth WA 6000

Telephone: (08) 9323 2000

Stock Exchange Listing

The Company is listed on the Australian Securities Exchange Ltd (ASX).

Website

www.queenslandbauxite.com.au

Australian Securities Exchange Code:

QBL

Schedule of Mineral Tenements as at 30 June 2015

Project Name			Interest Held %
Pilbara Gold Project			
Pilbara	E47/1153	Granted	100%
Eastern Australia Bauxite Projects			
South Johnstone	EPM18463	Granted	100%
Nullamana	EL7301	Granted	50%

Directors' Report

The Directors present their report together with the consolidated financial statements of the Group comprising Queensland Bauxite Limited ("the Company" or "QBL") and its subsidiaries, for the financial year ended 30 June 2015 and the independent auditors report thereon.

Directors

The names and details of the Company's Directors in office during the financial year and until the date of this report are as follows. Directors were in office for this entire period unless otherwise stated.

Names, qualifications, experience and special responsibilities

Pnina Feldman
Executive Chairman

Pnina Feldman has been active in the mineral exploration industry for over 20 years, in which time she has shown much tenacity in sourcing, negotiating and developing exploration and resource projects across Australia, and internationally. She was the founder and executive chairperson of the publicly listed Diamond Rose NL, and was the first woman in Australia to achieve that milestone in the mining industry. Pnina has been successful in negotiating many joint ventures with major companies including BHP and De Beers. Pnina studied Law and Arts at Melbourne University before going to Gateshead, England where she studied teaching, religion and education. She has been the founder and driving force behind, and benefactor to, numerous communal, educational, charitable and women's awareness initiatives, and in 2007 received the Wentworth community award for outstanding community service.

Sholom Feldman
Executive Director, Chief Executive Officer and Company Secretary

Sholom Feldman has been Executive Director and CEO of Queensland Bauxite since he co-founded the Company in 2007. Sholom has extensive experience in general commercial management, has performed advisory and company secretarial work for both listed and unlisted companies and has managed both private and listed exploration companies. Sholom was general manager of the publicly listed Diamond Rose NL between 1999 and 2005 and is a director and manager of a number of private companies. He has been instrumental in negotiating, financing, developing and managing many exploration projects internationally including the purchase of the Guanaco Mine in Chile from the Canadian Kinross Gold Corporation, and subsequently their Australian gold assets including the Broads Dam Gold Project. Sholom studied at the International MBA program at Bar Ilan University in Israel and has also completed a Company Secretarial Practice and Meetings course with the Chartered Institute of Company Secretaries Australia.

Meyer Gutnick
Non-executive Director

Mr. Gutnick has many years experience in the investing and finance industry. He has built his reputation in building significant investor portfolios in the banking, insurance and real estate sectors in New York. He is also a seasoned investor in the public markets including many years controlling investments in the mineral exploration industry including companies on the ASX and the public markets in North America. He is also a well known philanthropist who has supported many charities internationally, and has been instrumental in the establishment of a number of charities particularly focused on higher education and advanced learning.

David Austin
Alternate Director

David Austin is a solicitor practising in Sydney.

He has spent many years in the corporate world in the computer, aerospace and heavy engineering industries, and worked for the Northern Territory Government in the 1980s when he was responsible for petroleum, energy, and pipeline policy. During a secondment he reviewed the Northern Territory Mineral Royalty Act and devised a new mineral royalty regime which encouraged the development of a number of major mining projects.

Interests in the shares and options of the Company and related bodies corporate

The relevant interest of each Director in the shares or options over shares of the Company and any other related body corporate, as notified by the Directors to the Australian Stock Exchange in accordance with S205G(1) of the Corporations Act 2001, at the date of this report is as follows:

	Ordinary shares	Options over ordinary shares
Pnina Feldman (1)	129,065,208	78,406,521
Sholom Feldman (1)	129,065,208	78,406,521
Meyer Gutnick	5,000,000	-
David Austin	-	-

1) Pnina Feldman and Sholom Feldman are each directors of L'Hayyim Pty Ltd which holds 2,815,208 shares and 281,521 options exercisable at 10 cents each on or before 31 July 2016 in its capacity as trustee of the 770 Unit Trust.

   Pnina Feldman and Sholom Feldman are each directors of Volcan Australia Corporation Pty Ltd which holds 126,250,000 shares and 65,000,000 options exercisable at 5 cents each on or before 31 December 2015 and 13,125,000 options exercisable at 10 cents each on or before 31 July 2016.

Share options

Unissued shares under options

At the date of this report unissued ordinary shares of the Company under option are:

Expiry date	Exercise price	Number of shares
31/12/2015	0.30	350,000
31/12/2015	0.25	1,000,000
31/12/2015	0.05	65,000,000
02/07/2016	0.03	12,500,000
31/07/2016	0.10	63,648,825
12/11/2016	0.03	90,000,000
16/09/2017	0.08	10,000,000
16/09/2017	0.10	10,000,000
16/09/2017	0.15	5,000,000
16/09/2017	0.20	5,000,000
28/02/2018	0.03	10,000,000
30/08/2015	0.06	2,846,046
		275,344,871

These options do not entitle the holder to participate in any share issue of the Company or any other body corporate.

Shares issued on exercise of options

No shares have been issued by the Company, during or since the end of the financial year, as a result of the exercise of options.

Earnings per share

	Cents
Basic earnings (loss) per share	(0.43)

Dividends

No dividends were paid or declared since the end of the previous financial year. The Directors do not recommend a payment of a dividend in respect of the current financial year.

Directors' meetings

The number of meetings of Directors held during the year (including meetings of committees of Directors) and the number of meetings attended by each Director were as follows:

	Board meetings	
	A	B
Pnina Feldman	12	12
Sholom Feldman	12	12
Meyer Gutnick	12	12
David Austin	1	12

Notes

A = number of meetings attended

B = number of meetings held during the time the Director held office during the year or was a member of the board.

Principal activities

The principal activities of the Group during the year were mining exploration and evaluation.

There were no significant changes in the nature of the Group's principal activities during the year.

Operating and financial review

Queensland Bauxite Ltd (ASX: QBL) ("QBL" or "the Company") presents the following report on activities for the year ending 30 June 2015.

Operations' report

Highlights of QBL Operations July 2014 to September 2015

- **Regional drilling and exploration confirmed extensive new bauxite mineralisation confirming the conceptual South Johnstone bauxite geological model.**
- **From within that larger Exploration Target area, detailed shallow drilling to only 1.5 metres depth within just 1% of the Exploration Target area returned an approximate 2Mt JORC Compliant Indicated Resource, with mineralisation continuing at depth.**
- **From within that Indicated Resource area, further detailed drilling of just 11.6% of the Indicated Resource area, has been undertaken to define an area over which to apply for a Mineral Development License (MDL).**
- **The Indicated Resource area itself represents just 1% of the previously reported Bauxite Exploration Target Area of the Project.**
- **Approval of the MDLA will enable export of bauxite to commence immediately to prove the long term feasibility of the project.**
- **Operational plan, environmental studies and works for the mineral development licence application (MDLA) have now concluded and is being reviewed by the Queensland Department of Natural Resources and Mines.**
- **The detailed drilling now undertaken has assisted the Company to develop and model a detailed operational plan for the initial shipments of bauxite intended under a MDL.**
- **The MDL when granted will provide for initial shipments of bauxite bulk samples to demonstrate long term feasibility in QBL's de-risked approach to a strategic staged project development plan.**
- **Scoping Study Completed indicating a potentially highly profitable project at South Johnstone.**
- **$1.78M Rights Issue fully subscribed.**
- **$2.8M Development Facility Secured through a New York Based Investment Group.**
- **Facility gives the Company further security that it will be able to independently fast track its development and production on its South Johnstone bauxite project without needing to rely further on the volatile capital markets.**
- **Heads of Agreement Reached with Ports North for the intended usage of Mourilyan Port.**
- **Option agreements secured with landowners to enable the Company to purchase the land once a MDL is granted.**

Queensland Bauxite Limited (ASX: QBL, or the “Company”) is pleased to report on its activities over the past year. The pinnacle of the Company’s achievements was the recent conclusion of the preparation of all the environmental and engineering documentation for an application for a MDL from the Queensland Department of Natural Resources and Mines at the company’s South Johnstone Bauxite project in Northern Queensland.

Detailed drilling of 59 drill holes was completed in May/June 2015 over one section (approximately 11%) of the previously identified 1.9 million tonne Indicated Resource at the South Johnstone deposit with the goal of delineating that area for the MDL application. The drilling was undertaken by Queensland Bauxite. The drilling successfully confirmed the assumptions made in the previously delineated Indicated Resource in depth and grade consistency. Confidence in the grade consistency is high because it is based on a 50x50m grid of holes, the majority of which have penetrated the entire thickness of the previously identified Indicated Resource (0.5-4.5m).

These results have enabled the Company to model a detailed production plan for the area to accompany the MDL application. The Company is also intending to use this modeling to announce a resource upgrade to a Measured Resource to JORC 2012 standard as the Company believes that the confidence in the Resource is sufficiently high to do so. It should be noted that other bauxite companies have generally avoided reporting Measured Resources due to the onerous reporting environment of such reporting under the JORC Code 2012. The Company therefore wishes to only announce a Measured Resource once it is also signed off by independent expert consultants. The independent consultants have over the past couple months requested numerous verification tests and drilling to be performed on the resource and the Company intends to announce the resource upgrade once such an upgrade is signed off by the Independent Consultants. The Company has sufficient confidence in the current modeling to continue progressing the MDL irrespective of the timing of any resource upgrade announcement which is purely an ASX reporting issue and does not affect the progression of the MDL or its already formulated detailed production plan.

As a result, the Company has recently concluded and sent to the DNRM the environmental and engineering studies to accompany the MDL application documentation sent to the DNRM and is progressing the MDLA on the basis of the extensive data and modelling already completed by the Company.

The previously reported Indicated Resource area itself covers an area of only approximately 1% of the previously identified Exploration Target area, thereby giving the Company significant confidence in the future long term potential of the South Johnstone project.

At present much of the South Johnstone Exploration Target Area in the Atherton basalt held within EPM18463 is prospective for additional bauxite resources yet to be defined.

One of the objectives of the recently completed drilling program is to upgrade the further drilled areas of the current Indicated Mineral Resource to Measured Mineral Resource under the 2012 JORC Code. A further 1175 samples over the entire Indicated Resource have been sent to the lab for analysis and it is anticipated that a progressive upgrade of the current Indicated Resource to Measured category will take place over the coming period.

To date, the area that was analysed first is the area over which the Company is developing the initial trial bulk sampling plan and in which the Company is applying to the Queensland Department of Natural Resources and Mines (DNRM) for the Mineral Development Licence Application (MDLA).

Granting of the MDLA will allow immediate commencement of bulk sampling, to enable the Company to begin initial shipments of bauxite to a customer refinery in order to prove the long-term economic and operational feasibility of the entire project. This initial trial production is scheduled to commence following grant of the MDL.

Environmental and mining engineering studies have been finalised and are currently being reviewed by the DNRM together with the MDLA documentation.

The MDL application is an exciting milestone for the Company. It is part of our overall strategy to develop an export operation in a staged development of South Johnstone that allows for long term mining and export, prospect by prospect at low cost. This initial pilot programme should prove the viability of this approach for the long term.

Concurrently, QBL will look to increase the JORC Indicated Resource from the ongoing regional work programs while commencing production on the first prospects.

We are excited by the progress being made at South Johnstone and the MDL application is a key part of the strategy. The main objective of the Company in developing this project is to generate positive net cash flows as quickly as possible to meet the demand for bauxite in the current cycle.

Regional Drilling

During the year, Queensland Bauxite (ASX:QBL) undertook wide spaced regional drilling throughout the previously reported Exploration Target area and confirmed the geological model of the existence of extensive bauxite mineralization throughout the South Johnstone region (Figure 1). An aggressive, focused detailed drilling programme was also undertaken with the aim of increasing the tonnage and JORC classification of the previously reported JORC Indicated Mineral Resource within the South Johnstone tenement area.

Extensive new bauxite mineralisation was encountered at South Johnstone from drilling in never before drilled areas of the project which formed part of the Company's previously reported Exploration Target.

In addition to the regional drilling and the recent drilling within the intended initial MDLA area, a further focus of recent drilling was to better define the depth of the reported JORC Indicated Mineral Resource. As a result, further drilling down to 5 metres (previously drilling depth averaged only 1.0 – 1.5 metres) has been undertaken within the entire previously reported Indicated Resource area for the purposes of increasing the existing reported tonnages of the Indicated Resource.

A further 233 holes were drilled on the remaining 90% of the previously reported Indicated Resource area and its immediate surrounding mineralized area.

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.

The purpose of the further ongoing drilling is to continuously prove up more bauxite resources in a measured approach to generate cash flows and underpin a long mine life.

As soon as the results are modeled and finalized to JORC 2012 Compliant standard and signed off by Independent Consultants, the Company will progressively release the updated models.

Location

The South Johnstone Project is particularly well situated geographically as it is located only 15-24 kilometres to the Port of Mourilyan where there is a currently available export allocation to QBL and capacity for direct shipping to export markets.

New drill rig

It was necessary to access a new drill rig from overseas capable of efficient and quick exploration at near surface suitable for our South Johnstone Project. The Company therefore bought its own drill rig earlier this year and it has since been used successfully in the recent drilling programmes and in ongoing drilling.

Ongoing work program

The recently completed drill program was also aimed at increasing the bauxite tonnage quantity and accuracy of the current Indicated Resource by determining the depth of the mineralisation within the Indicated Resource area. Additional detailed drilling will be undertaken throughout the now identified extensive bauxite mineralisation throughout the tenement area (Figure 1) to continuously increase mine life of the South Johnstone Project. This is expected to identify additional JORC Compliant Indicated and Measured Resources to support the long-term export DSO operation. This work is ongoing.

Geological Summary of Material Information

Queensland Bauxite Limited (QBL) has Indicated a JORC Resource of 1.9 million tonnes at Camp Creek.

Camp Creek is one of the areas of bauxite mineralisation discovered by the Company through its regional drilling programs within exploration permit EPM 18463 (Figure 1). EPM18463 was applied for by the Company to cover a bauxite exploration target (basaltic lava flows within the palaeo-Johnstone valley) based on the geologic model presented in Figure 2. The MDL application area is based on a 59 hole drilling program carried out at 50m spacing to recover 0.5 m sample intervals downhole within Lots 4 & 5 on Plan RP739786 at Camp Creek (Figure 3). Figure 4 shows the outline of the resource area the subject of the MDLA, the drill hole collars on which it is based, and the outline of the proposed MDL application.

A. Geology and Geological Interpretation

Bauxite mineralisation occurs at surface in a weathering profile that is known from the drilling to extend from surface to a depth of about 5m. It is found as a continuous blanket overlying flat-lying basalt flows of the Atherton Province within EPM18463 (Figure 1). The deposit formed by weathering of the basalt surfaces with resultant leaching of silica downwards and concentration of alumina towards the surface of the profile. In most of the drilling carried out to date, a gradual decline in alumina and increase in silica with depth is noted in the first few metres indicating an in-situ weathering profile over basalt. A geologic model for the formation of bauxite within EPM18463 is shown as a series of four sketches in Figure 2.

Confidence in the geological interpretation of the mineral deposit at Camp Creek, and specifically within the MDL application area, is high because of its simple geometry and topographic conformity - a flat-lying visible weathering horizon at surface related to a palaeo-surface. Drilling to date indicates there is little to no overburden.

Drilling on a 50m x 50m grid provides confidence that the geology and mineralisation can be interpolated between boreholes containing bauxite across un-dissected terrain at the same general elevation. Mineralisation at Camp Creek was only previously inferred from hole SJAC052 with the topography/ geomorphology guiding the initial Inferred Resource estimation with topographic features such as plateaus, ridge tops etc , interpreted to be part of the original flat lava surface. Results from the September 2014 200m x 200m auger drilling program and the May/June 2015 50m x 50m air core/ auger drilling program at Camp Creek have proved the geological model to be accurate, giving higher confidence to the other resource areas inferred by the Company elsewhere in EPM18463.

Continuity of the mineral deposit was not assumed where the terrain is dissected by younger drainages (i.e. around the plateau edges). Drilling at Camp Creek has also shown this assumption to be correct - i.e. that the surrounding bauxite has been eroded away beyond the current plateau edges.

B. Sampling and Sub-sampling Techniques

A total of 59 holes were drilled within the MDLA area (Lots 4 & 5 on Plan RP739786) at Camp Creek to a depth of between 1.7m to 5m. Vertical drilling was carried out to recover 0.5 m sample intervals downhole and holes were backfilled immediately after sampling. Material was collected in a drawstring calico bag. The entire drilled half metre sample was collected to assure an appropriate sample size. Each bagged sample was weighed at the laboratory on receipt and these weights varied between 0.6 to 5 kg, and averaging 2.8kg. The samples from each hole, after testing with hand-held XRF, were sent to Australian Laboratory Services Pty Ltd (ALS) in Brisbane. In the ALS laboratory, samples were riffle split and 1000g pulverized to 85% < 75 micron then analyzed for available alumina (avail-Al2O3 according to process Al-LICP01) and reactive silica (rx-SiO2 according to Si-LIP01) using an ICP-AES instrument (Leach conditions – 1g leached in 10ml of 90gpl NaOH at 143 degrees Celsius for 30 minutes). Selected duplicate sample pulps (25 samples of varying grades) were sent to SGS Perth for comparative analyses under their standard leach conditions (1g sample leached in 10ml of 87gpl NaOH; Temperature 148 degrees Celsius; Digestion time: 20 minutes). Nine additional twin holes (twinning SJAC 062, 068, 069, 070, 073, 082, 084, 090 & 096) were also drilled for soil analytical work and samples collected over 200mm intervals to a depth of 5.2m. Selected samples were sent to SGS Cairns and tested for pH, EC, Total N, Organic N, Total P, Available P, Chloride, Exchangeable Cations (Ca, K, Na, Mg, Al), Sulphur (Kcl), Organic Carbon, Organic Matter, DTPA Extractable Fe, Cu, Zn, Mg.

C. Drilling Techniques

Auger drilling was carried out under close supervision to ensure a high standard of sample collection using a Dormer 62mm diameter soil auger with a 600mm wide T-handle. Contamination from shallower intervals was avoided by ensuring that the hole was completely clean before each successive sample was taken such that the auger could be lowered smoothly and cleanly to the top of the next interval, and that the auger handle was not rotated outside of the sampling interval either during entry or exit from the hole. Air core drilling was carried out by Professional Drilling Services using a 76mm bit and samples were collected from the outlet of the cyclone. Samples collected in calico bags labelled with hole number and depth interval. The entire 0.5 depth interval was collected and no loss of fines was noted. Samples collected were noted in a field log book.

D. Classification Criteria

a) Drill Spacing and Distribution

Mineralised areas of Lots 4 & 5 on Plan RP739786 at Camp Creek within EPM18463 were drilled at a grid spacing of 50m x 50m with bauxite recovered over 9.6 Ha area. The bauxite is a surficial deposit formed on flat-lying to gently undulating topographic surface. Grades and thicknesses fall away rapidly moving downslope from the original palaeosurface into modern drainages. Samples were collected at 0.5 m intervals downhole.

b) Location of Data Points

Drill hole collars were located using hand-held GPS (accuracy 5 m) based on a pre-planned 50m x 50m grid. Coordinates are recorded in GDA94. Hole collar elevation control of 70mm was provided by NQUAV through aerial topographic survey over Lots 4 & 5 on Plan RP739786 at Camp Creek plus surrounding 100m buffer (total area of 106Ha).

E. Material Modifying Factors

a) Metallurgical Factors or Assumptions

Available alumina and reactive silica results are obtained from low temperature alkali leach techniques used by ALS laboratories simulate conditions found in a bauxite refinery.

No further benefits are expected to be achieved via metallurgical treatment, such as magnetic separation, screening of fines and the bauxite is most likely to be mined and shipped without further treatment. High temperature leach trials and XRD work on selected samples within EPM18463, as reported previously, indicate the bauxite to be predominantly gibbsitic. The Sandercock and Associates scoping study shows the mining operation to be viable based on these metallurgical factors assumptions.

b) Environmental Factors or Assumptions

Environmental studies for the MDL have concluded. QBL engaged Northern Resouce Consultants (NRC) to prepare these studies as part of an application for Minerals Development Licence (MDL) over Lots 4 & 5/RP739786 and the adjacent road verge. Gerry Surha, a traditional owner of the Mamu People, has been engaged to study natural heritage matters and, based on preliminary discussions and a field visit, it is assumed that nothing of significance will be found. Further discussions are ongoing with other members of the Mamu Aboriginal Corporation. The land at Camp Creek is privately owned and is currently being used for large and small acreage agricultural (principally sugar cane and bananas) and pastoral activities. Lots 4 & 5/RP739786 are cleared paddocks, grassed and currently used for cattle grazing.

It is being assumed that a mining licence would be granted by government for an open cut extraction operation. No areas of forest, buffer zones around creeks will be disturbed during mining.

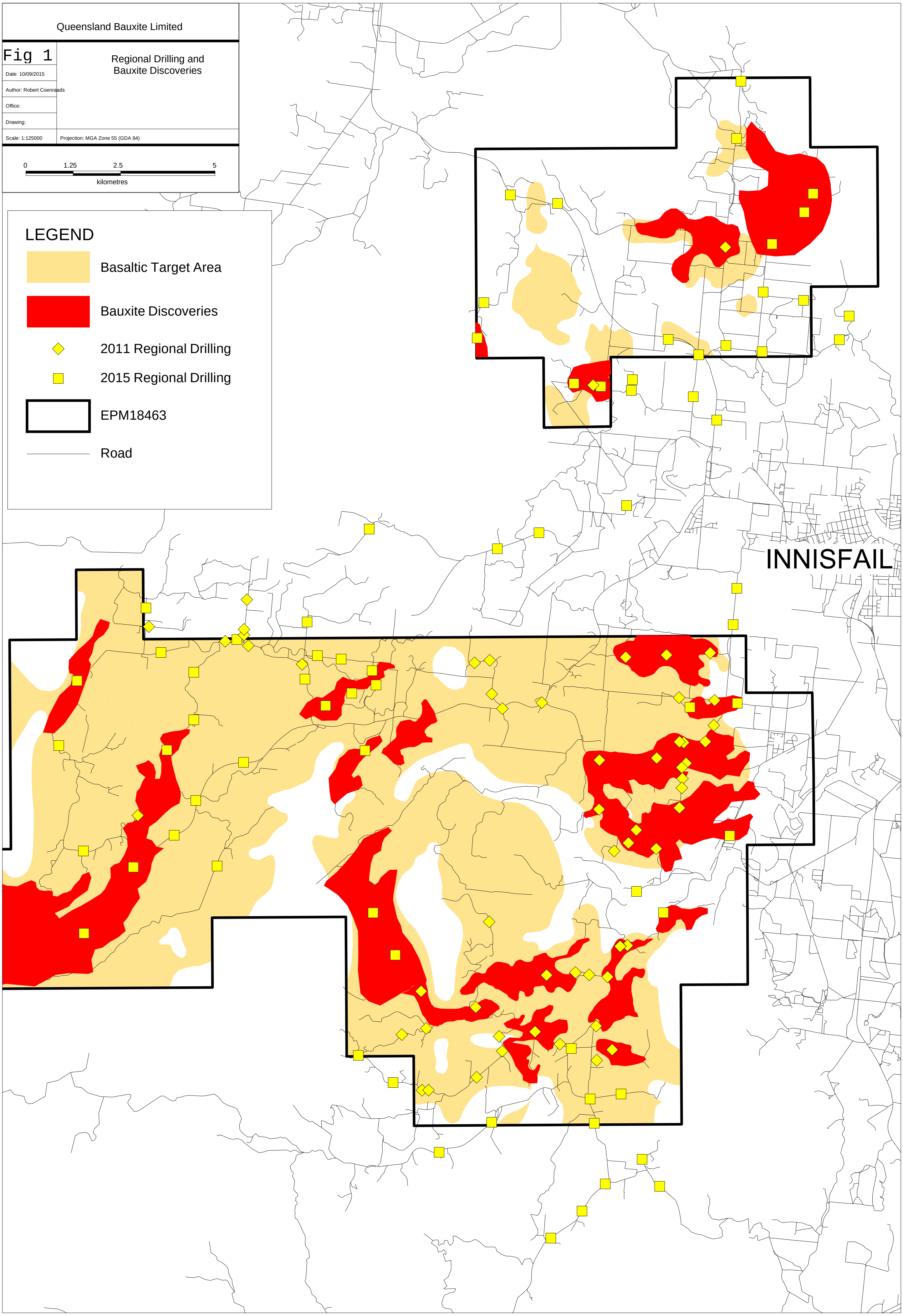
An agreement is in place with the owners of Lots 4 & 5/RP739786 for acquisition of their land for mining purposes and discussions are underway with Cassowary Coast Council concerning mining of the Daly Road corridor, and the use of council roads to truck ore onto the State B-double route and, in turn on to Mourilyan Harbour. It is the current assumption that no unforeseen environmental difficulties, landholder, native title, or other issues will impact on the mining and processing operation.

XRD results confirms Gibbsite content

X-ray Diffraction (XRD) testing has shown the South Johnstone bauxites to be predominantly gibbsite with lesser amounts of iron/titanium oxides, clay minerals and quartz as listed in the following table.

Mineral ID	MASS%			
	SJAC 014 0.5-1.0	SJAC 019 1.0-2.0	SJAC 023 1.0-2.0	SJAC 052 1.0-2.0
Clay mineral	5	16	6	9
Zeolite	3	1	6	3
Zeolite (with P)	<1	0	2	0
Serpentine group	1	2	1	1
Clinochlore	2	1	1	0
Kaolinite	2	5	2	2
Mica	1	1	2	1
Alpha quartz	10	5	7	6
Al-phosphate	1	0	0	0
Al-Fe phosphate	2	0	0	0
Gibbsite	36	43	48	47
Boehmite	0	<1	0	2
Diaspore	0	0	<1	3
Goethite	7	4	1	3
Goethite (Al)	4	5	1	3
Hematite	3	3	5	5
Maghemite	0	3	7	5
Magnetite	10	0	0	0
Magnetite (Ti)	5	6	0	4
Anatase	5	2	7	5
Gypsum	0	<1	0	0
Pyrite	0	-1	-1	-1

Results of XRD analysis of South Johnstone Samples



Queensland Bauxite Limited
Fig 1
Regional Drilling and
Bauxite Discoveries
Date: 10/09/2015
Author: Robert Coenraads
Office:
Drawing:
Scale: 1:125000
Projection: MGA Zone 55 (GDA 94)
0
1.25
2.5
5
kilometres
LEGEND
Basaltic Target Area
Bauxite Discoveries
2011 Regional Drilling
2015 Regional Drilling
EPM18463
Road
INNISFAIL

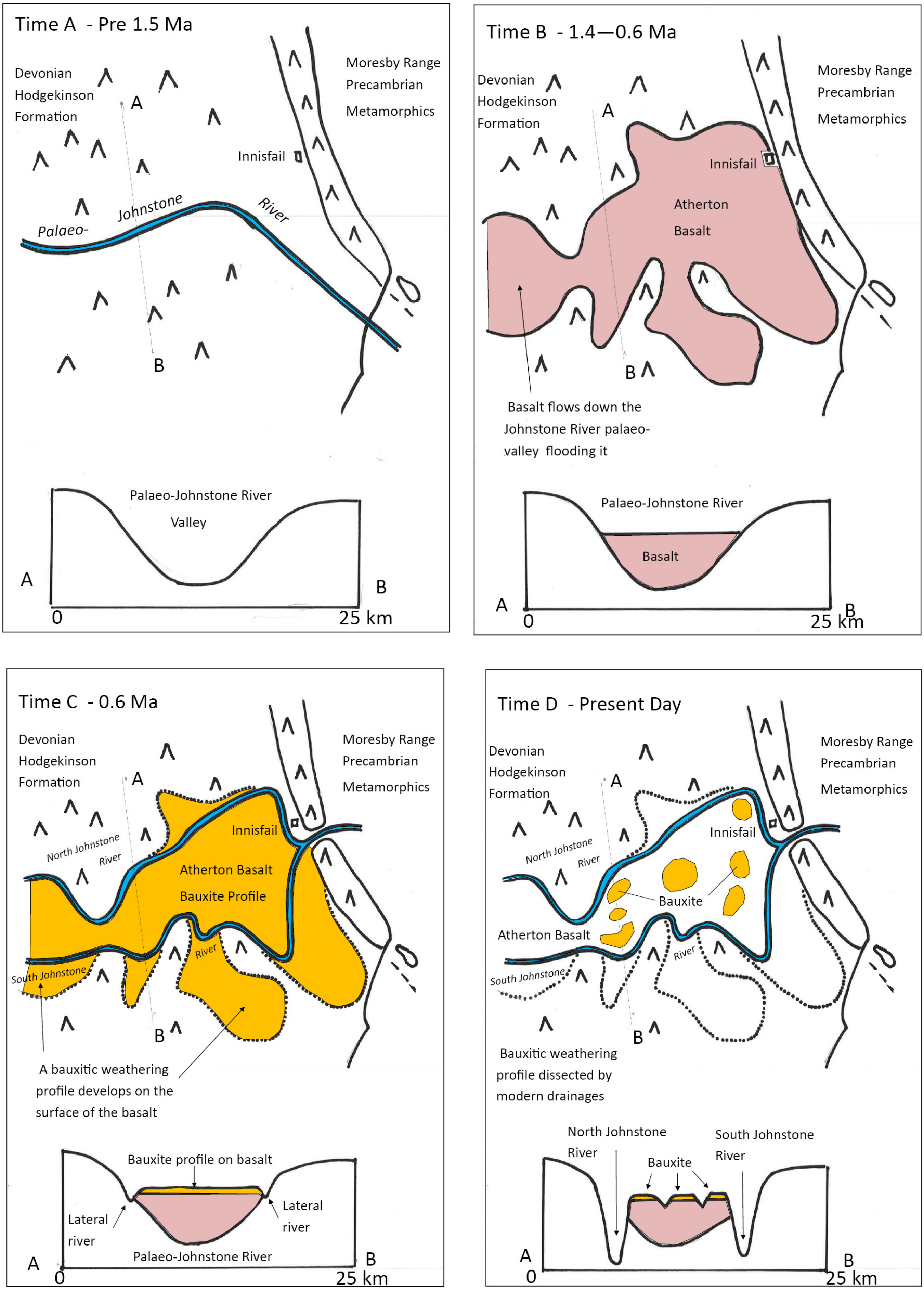
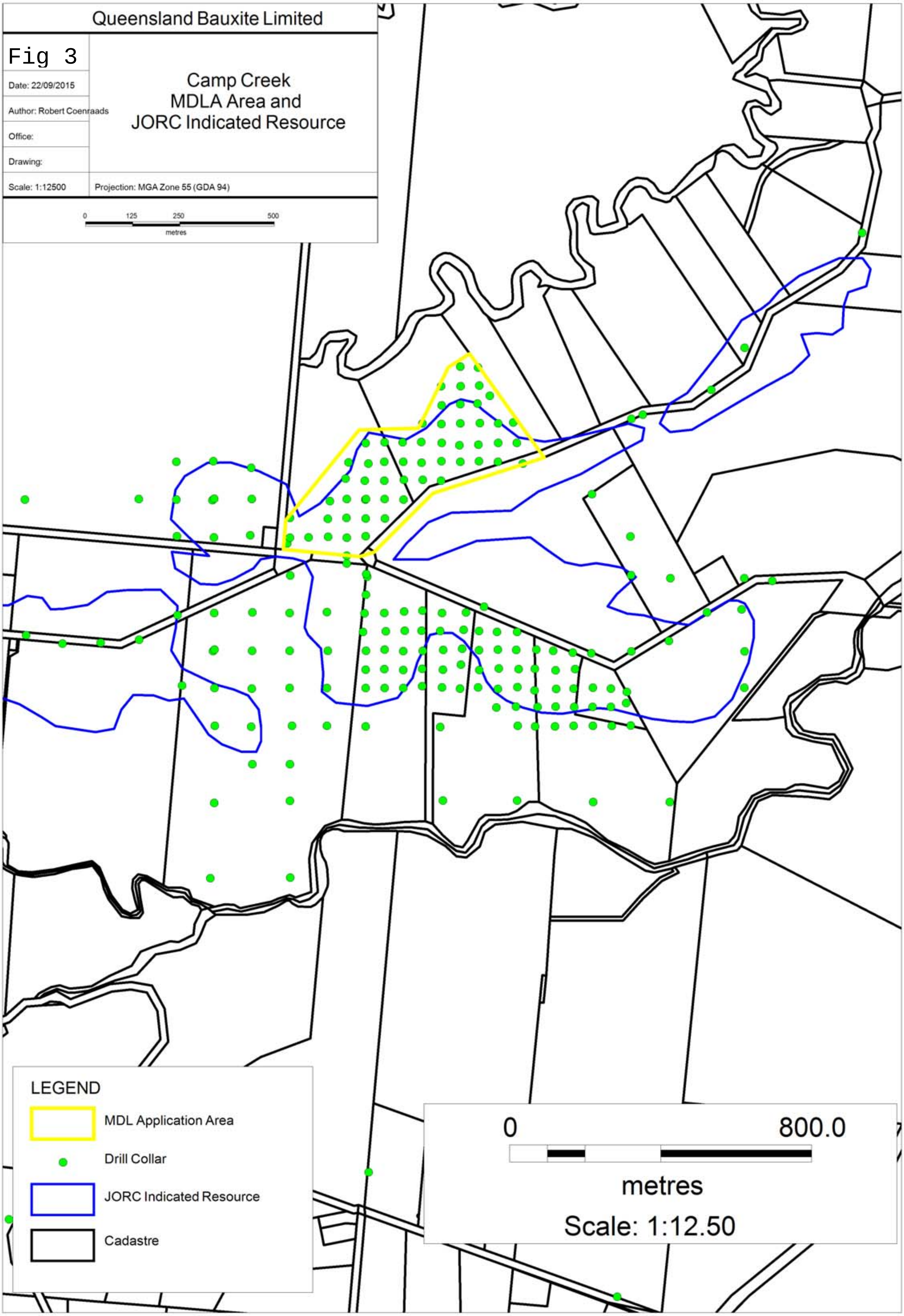
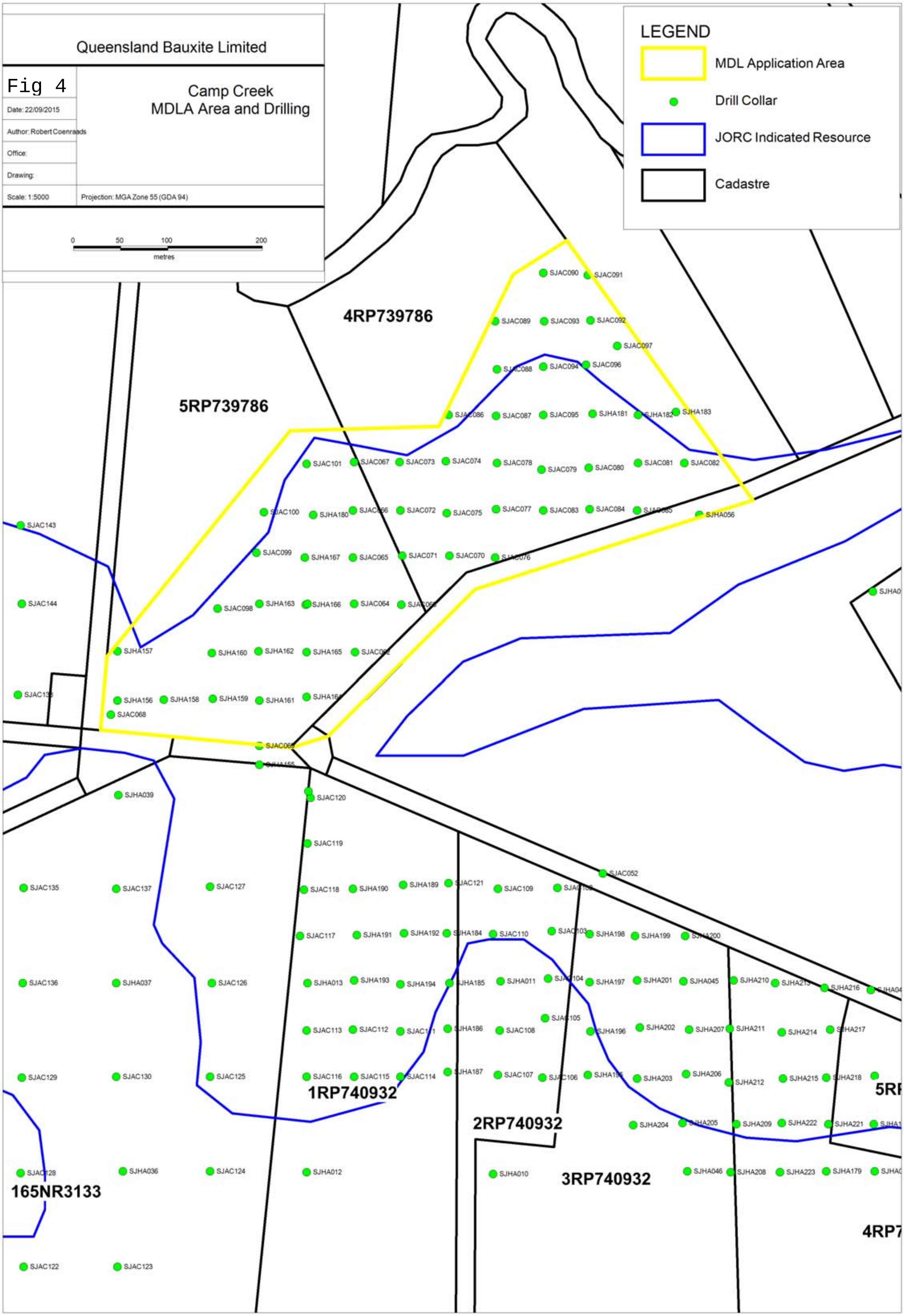


Figure 2. Geologic Model for the formation of bauxite at South Johnstone


Queensland Bauxite Limited
Fig 3
Date: 22/09/2015
Author: Robert Coenraads
Office:
Drawing:
Scale: 1:12500
Camp Creek
MDLA Area and
JORC Indicated Resource
Projection: MGA Zone 55 (GDA 94)
0
125
250
500
metres
LEGEND
MDL Application Area
Drill Collar
JORC Indicated Resource
Cadastre
0
800.0
metres
Scale: 1:12.50


Queensland Bauxite Limited
Fig 4
Camp Creek
MDLA Area and Drilling
Date: 22/09/2015
Author: Robert Coenraads
Office:
Drawing:
Scale: 1:5000
Projection: MGA Zone 55 (GDA 94)
0 50 100 200
metres
LEGEND
MDL Application Area
Drill Collar
JORC Indicated Resource
Cadastre
4RP739786
5RP739786
1RP740932
2RP740932
3RP740932
165NR3133

Mineral Resources and Ore Reserves Statement 2014-2015

SUMMARY OF ANNUAL RESULTS

Queensland Bauxite's JORC Code Indicated Resource within EPM 18463 announced during the 2014-2015 period is based on a coverage of holes on a 200m x 200m grid over most of Camp Creek (51 auger holes and 1 aircore hole drilled into a sound geological model with bauxite recovered in most of those holes). Based on this understanding, a select portion of the bauxite mineralisation at Camp Creek (1.9Mt at 29.7% Av Al2O3 3.2% Rx SiO2) has been classified as a JORC Code Indicated Resource (Figure 3).

TABLE OF RESULTS

The Company's independently reviewed JORC Code Indicated mineral resources for the reporting year 2014-2015 and the previous year are listed in the following table:

Queensland Bauxite Annual Review of JORC Indicated Mineral Resources						
Year	Commodity	Tonnage (t)	Grade Avail Al2O3	Grade Rx SiO2	Category	Location
2013-2014	Bauxite	nil	-	-	-	EPM18463
2014-2015	Bauxite	1,900,000	29.7%	3.2%	Indicated Resource	EPM18463

The material changes in the Company's listed JORC Indicated mineral resources are based on exploration drilling and analytical work carried out during the reporting period.

The Company's JORC Inferred mineral resources for the reporting year 2014-2015 and previous year are listed in the following table:

Queensland Bauxite Annual Review of JORC Inferred Mineral Resources						
Year	Commodity	Tonnage (t)	Grade Avail Al2O3	Grade Rx SiO2	Category	Location
2013-2014	Bauxite	30,000,000	25.2%	6.9%	Inferred Resource	EPM18463
2014-2015	Bauxite	unreported	unreported	unreported	-	EPM18463

The material changes in the Company's listed JORC Inferred mineral resources are a result of the fact that the Company has decided to base all future mine scoping studies on independently-reviewed JORC Indicated results, or better, and will no longer be reporting results at the Inferred level.

The Company has not announced any JORC Measured Resources or Ore Reserves at the present time.

GOVERNANCE ARRANGEMENT AND INTERNAL CONTROLS

The mineral resource estimates and modifying factors that will come into play in planning for a simple open pit quarrying and DSO operation (mining, metallurgical, infrastructure, economic, marketing, legal, environment, social and government) have been presented according to in JORC Code Table 1 format by the Company's Competent Person, Dr Robert Coenraads, and have been independently audited and reviewed in a scoping study prepared by Sandercock and Associates Pty Ltd. Variograms of the drilling data from Camp Creek were prepared by Mark Noppe of Xstract Group who also provided independent advice and reviewed the modelling discussion and assumptions.

Development Facility Secured

The Company has secured the support of New York based investment firm Magna in providing a facility of $2M USD ($2.8M AUD) in Capital and Development finance for project development of the flagship South Johnstone DSO Bauxite Project in northern Queensland.

The Company has estimated capital costs of approximately $5M to get the project into production. With ongoing initial operating costs, this facility underwrites the Company's ability to potentially bring the Company to a cash flow positive position without having to rely further on the uncertain capital markets in the current climate.

Magna Managing Director Ari Morris commented:

"We are proud to support QBL during their exciting growth phase. We invest in companies with clear short term growth opportunities, and partner with them to create long term value. We see QBL as a stand out opportunity in the sector, and we look forward to seeing the company achieve its stated milestones for the benefit of all shareholders and investors."

The confidence that Magna has given the Company and its future potential is greatly appreciated by the Company and is reflected in the favourable terms of the facility. Magna has allowed $500,000 USD of the facility to be immediately available to the Company, with a further USD$750,000 available upon grant of the MDL, and a further USD$750,000 available 45 days after the grant of the MDL.

Once drawn down, the Company will have the option to repay the facility within 12 months of drawdown at a 20% premium, or issue shares to Magna at a 20% discount to market price based on a VWAP formula of the then previous 10 trading days. Any issue of shares will be subject to ASX Listing Rules 7.1 or shareholder approval.

The cost of the facility is an issue to Magna initially of 2,846,084 options in QBL at 6c per share exercise price, expiring 30 August 2018, and a further approximately 4M options at 6c per share exercise price (exact amount dependent upon the USD exchange at the time) for each USD$750,000 draw down should the company wish to draw down those funds.

Securing the support of Magna is a significant step for the Company by underwriting the Company's ability to develop the South Johnstone Project and to get the project into production.

Off take

The Company is continuing its discussions with a number of groups including end users for off take of bauxite from South Johnstone.

Progress is being made with offtake partners and the current strategy of enabling the project to be ready for production in a staged manner will assist these efforts, by giving the end users clarity of timing for buying of the product.

Corporate

QBL's cash position as at 30th June 2015 was $6.1 million. This is against a current market capitalisation for QBL of approximately $9.6 million.

Agreement Signed with Ports North

During the recent year, Queensland Bauxite (ASX:QBL) signed a Heads of Agreement ("HOA") with Far North Queensland Ports Corporation Limited ("Ports North").

The HOA gives a non-binding commitment of port capacity for product that is expected to be produced and exported from the South Johnstone Project (“South Johnstone” or “the Project”) and confirms the availability of significant port capacity.
The Port of Mourilyan is located 15-24 kilometres west, by road, of the South Johnston mine site and has excellent road connections.
The Heads of Agreement confirms the parties will work together to finalise a commercial agreement for the utilisation of port infrastructure and the development of the designated Stock pile Facility and associated tenure over the site and a Port Operations and Access Agreement Lease Agreement to commence on completion of development of the Facility and prior to commencement of operations at the port.
Importantly, the facilities will initially allow for the shipment of up to 1.0m tonnes of product each year, with future potential to greatly expand that capacity as the project develops.

About Ports North

Ports North is a Queensland State Government Owned Corporation. Ports North have ownership and control of the Port of Mourilyan in Far North Queensland (the Port), including freehold landholdings designated as Strategic Port Land, including both developed and vacant land.

Environmental approvals

QBL retained Northern Resource Consultants Pty Limited (“NRC”) to provide environmental consultancy services for the Company’s environmental approvals, management, planning, rehabilitation, investigations and assessments (both on-site and off-site) for the South Johnstone Bauxite Project.
NRC has been engaged to obtain the statutory approvals for both the port and mining lease to facilitate the commencement of project mining and construction activities.
NRC is a Queensland based company that has specialist expertise and experience managing and obtaining environmental and mining approvals. NRC is currently working with other resource companies in the area (including at the Port of Mourilyan).

Rights Issue

QBL lodged a prospectus with ASIC pursuant to which the Company proposed to undertake 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, 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 (Offer).
The closing date of the Offer was 5.00 pm (WST) on 10 March 2015.
The Board of QBL was pleased to advise that on the closing date the Company had received applications under the rights issue from eligible shareholders for 62,099,719 shares. Upon close of the rights issue 65,198,028 shares became available for subscription under the shortfall offer. Many shareholders had applied for significant oversubscriptions as part of the shortfall, and the Company placed all shortfall shares available to shareholders who subscribed for the shortfall.

Sea Transport Commodities Pty Ltd

The Company has engaged Sea Transport Commodities Pty Ltd to provide logistical support and to study in detail the loading operations and possible logistical solutions for the bauxite operation.

This could effectively envisage a significantly shorter lead time to develop a profitable export operation as it would entail a faster ship loading time.

The Company is also evaluating scenarios to materially reduce freight costs from the Port to Shandong, China.

Sea Transport and their engineers have significantly assisted the Company in all aspects of the ongoing logistical planning from the mine site to transport through to port.

Work is continuing on optimising the throughput of bauxite from Mine-to-Port. Sea Transport engineers together with the Company have reviewed several options that should enable the fast track extraction of bauxite from South Johnstone as well as deliver an optimised method of loading of the bauxite at Mourilyan Port.

Release of Updated Scoping Study based solely on initial Indicated Resource

- **Payback period of Capex should be less than 6 months**

During late 2014, the Company defined an initial JORC Compliant Indicated Mineral Resource at South Johnstone.

In addition, the Company released an updated Scoping Study with a view to commencing direct shipping ore (DSO) bauxite mining and export operations.

Results of Scoping Study

The level of confidence in the South Johnstone Bauxite Project was greatly enhanced with the initial Indicated Resource which has enabled the Company to refine and update the Scoping Study to support the economics of the Project.

The initial JORC Indicated Resource underpins the independent Scoping Study Stage 1 of the South Johnstone Bauxite which illustrates a technically low risk, low cost, highly profitable bauxite operation with significant free cash flows.

The updated Scoping Study supports profitable bauxite production by initially mining the higher confidence Indicated Mineral Resource at South Johnstone.

The Scoping Study demonstrates that South Johnstone Bauxite Project represents a robust bauxite deposit with a simple mining and quarrying operation to produce a DSO product with a favorable location with respect to infrastructure and presents a real opportunity to promote sustainable regional development and development of the project.

The upgraded Scoping Study results are based solely on the initial JORC Indicated Resource Stage 1 Project and does not rely on any lower confidence Inferred Resources previously identified within EPM18463.

Based on the updated Scoping Study and an average bauxite production, Operating Scenario Stage 1 of 800,000 tonnes per annum would yield annual gross revenue of A$42.4 million and operating annual positive cash flow before tax (From Year 1 Stage 1 Project only) of A$12.3 million.

The Directors note that the initial Indicated Resource that underpins this Scoping Study provides the basis for progressing the aggressive development of South Johnstone Bauxite Project.

The projected Internal Rate of Return based solely on the initial Indicated Resource was 223%.

The Study was carried out by independent consultants Sandercock and Associates Pty Limited and with key input from other contributors including independent industry experts and consultants and is based on the upgrade in the JORC Mineral Resource estimate as detailed in the released announcement at the time.

High Demand:

Forward demand continues to be strong for bauxite given the favourable demand and supply metrics.

The global market requires a constant supply of bauxite to meet the growing demand and South Johnstone is well positioned to capitalize on demand.

Bauxite at South Johnstone is predominantly gibbsite which is the preferred form of bauxite as it is easier to process at low temperature than non-gibbsitic bauxite.

Overall, the macro bauxite picture continues to provide confidence in not only the potential of Queensland Bauxite to find markets for its higher grade bauxite but also for its lower grade bauxite.

Easy Access:

The South Johnstone Project covers an area of 400 square kilometres and is situated as close as 16 kilometres from the deep water port of Mourilyan in North Queensland. There is an existing narrow gauge railway which runs through the tenement to the port of Mourilyan and there is a network of bitumen and gravel roads within the tenement that lead to the port.

Port

Profit margins in bauxite mines in general are strongly affected by transportation costs, and producers often need to even build the railroads and regular roads to transport the material many kilometres to a deep water port, and then in addition pay the cost of shipping from that port to a large importer of bauxite like China.

North Queensland is one of the nearest ports to China. It is closer than nearly all the major bauxite export provinces around the world.

The Company's South Johnstone Bauxite Project in North Queensland is situated near a deep water port suitable for exports and stands to have a significant competitive advantage in terms of transport and shipping costs.

The team at Queensland Bauxite are most excited to be at the right place in the right time which should add to shareholders' wealth.

Environment

This current significant discovery lies in previously cleared freehold land outside of any environmentally restricted areas.

Future Drilling:

The ongoing drilling program is designed to increase the Indicated Resources inventory to support Operating Scenario 1 in later years of production, and for potential larger scale Operating Scenario 2.

Corporate

The Company is well funded to continue drilling and drive development of the South Johnstone project. It has been a central tenet of the Board to conserve and replenish cash resources where possible, and operate the Company in as frugal an operating structure as possible.

Gold Projects

The Company currently has one gold project in Australia, the Pilbara Gold Project in the south-west Pilbara.

Current tenement holdings

Tenement reference	Nature of interest	Location	Interest
EPM 18463 South Johnstone Bauxite	Owned by QBL	North Queensland	100%
EL7301 New England Bauxite	Owned by QBL	Northern NSW	50%
E47/1153 Rocklea Gold	Gold Mineralisation Rights owned by QBL	WA	100%

Competent Person Statement

Any information in this public report that relates to exploration results, Exploration Targets or Mineral Resources is based on, and fairly represents, information compiled by Dr Robert Coenraads BA Hons MSc PhD. 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 this report of the matters based on their information in the form and context in which it appears.

For further information, please contact:

Queensland Bauxite Limited
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

Operating results

The operating loss after tax for the year ended 30 June 2015 for the Group was $2,406,967 (2014: loss $2,399,626).

Dividends

There were no dividends paid or declared by the Company to members since the end of the previous financial year.

Environmental regulation

The Group is subject to and compliant with all aspects of environmental regulation of its exploration activities. The Directors are not aware of any environmental law that is not being complied with.

Significant changes in the state of affairs

During the period there were no changes in the state of affairs of the Group other than those referred to elsewhere in this report, or the financial statements or notes thereto.

Events subsequent to balance date

The Company has secured the support of New York based investment firm Magna in providing a facility of $2M USD ($2.8M AUD) in Capital and Development finance for project development of the flagship South Johnstone DSO Bauxite Project in northern Queensland. Magna has allowed $500,000 USD of the facility to be immediately available to the Company, with a further USD$750,000 available upon grant of the MDL, and a further USD$750,000 available 45 days after the grant of the MDL.

Once drawn down, the Company will have the option to repay the facility within 12 months of drawdown at a 20% premium, or issue shares to Magna at a 20% discount to market price based on a VWAP formula of the then previous 10 trading days. Any issue of shares will be subject to ASX Listing Rules 7.1 or shareholder approval.

The cost of the facility is an issue to Magna initially of 2,846,084 options in QBL at 6c per share exercise price, expiring 30 August 2018, and a further approximately 4M options (exact amount dependant upon the USD exchange at the time) for each USD$750,000 draw down should the company wish to draw down those funds.

There has not arisen in the interval between the end of the financial year and the date of this report any further item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.

Likely developments

Further information about likely developments in the operations of the Group in future years, the expected results of those operations, the strategies of the Group and its prospects for future financial years has not been included in this report, because disclosure of the information would be likely to result in unreasonable prejudice to the Company.

Indemnification and insurance of officers

Indemnification

The Company has agreed to indemnify the following current Directors of the Company, Mrs Pnina Feldman, Mr Sholom Feldman, Mr Meyer Gutnick, and Mr David Austin against all liabilities to another person (other than the Company or a related body corporate) that may arise from their position as Directors and Officers of the Company and its controlled entities, except where the liability arises out of conduct involving a lack of good faith. This agreement stipulates that the Company will meet the full amount of any such liabilities, including costs and expenses.

Non-audit services

The Company's auditor, Nexia Court & Co – Chartered Accountants was appointed auditor of the Company in January 2008.

A copy of the auditor's independence declaration as required under Section 307C of the Corporations Act is included in the Directors' report.

Details of the amounts paid to the auditor of the Company, Nexia Court & Co – Chartered Accountants, and its related practices for audit and non-audit services provided during the year are set out below:

Statutory audit

- audit of financial report	34,670
- half-year review of financial report	29,219

Services other than statutory audit

- taxation services	3,000

Remuneration Report – Audited

Remuneration policies

The Board has adopted a framework for corporate governance, including policies dealing with Board and Executive remuneration. These corporate governance policies are described more fully on pages 32 to 38 of the Directors' Report. Policies adopted by the Board reflect the relative stage of development of the Company, having regard for the size and structure of the organisation.

Remuneration levels are competitively set to attract and retain appropriately qualified and experienced Directors and Senior Executives. The remuneration packages of Executive Directors provide for a fixed level of remuneration. Other than as noted below Executive remuneration packages do not have guaranteed equity based components or performance based components.

Fixed remuneration

Fixed remuneration consists of base remuneration (salary or consulting fees) including any FBT charges as well as employer contributions to superannuation funds, where applicable.

Remuneration levels are reviewed annually by the Board of Directors.

Performance linked remuneration

During the previous financial period, the Board of Directors completed a review of compensation and benefit structures.

Long-term incentives are provided as options over ordinary shares of the Company. There has been no issue of shares or options to Executive Directors as a form of remuneration in the current year.

Consequences of performance on shareholders wealth

In view of the relatively early stage of development of the Company's business and remuneration policies, there is insufficient information to provide a meaningful quantitative analysis of the relationship between remuneration and Company performance.

Service agreements

The Company and Australian Gemstone Mining Pty Limited (**AGMPL**) are parties to a management services agreement (**Management Services Agreement**) dated 1 July 2007, for the provision by AGMPL of executive and corporate services, including geological and technical expertise, to the Company by the following executives:

- Pnina Feldman – Executive Director, Business Development;
- Dr Robert Coenraads – Principle Geologist, Exploration and Mining; and
- Sholom Feldman – Chief Executive Officer and Company Secretary.

In respect of each of these executives (**Key Persons**), AGMPL was paid a retainer for the period ended 30 June 2015. The Company was also reimbursed for all reasonable expenses incurred by or on behalf of the Key Persons.

- AGMPL is a company owned and controlled by Pnina Feldman.

Each of Pnina Feldman, Dr Coenraads and Sholom Feldman has entered into an executive services agreement with AGMPL. Each of these executive services agreements contains standard provisions dealing with employment obligations and standard covenants dealing with general duties and the protection of AGMPL's interests and mirrors the Management Services Agreement in respect of termination provisions.

AGMPL also provide suitable fully serviced offices to the Company at its Bondi office at 67 Penkivil Street, which includes use of office space, the board room, kitchen, access to a full-time receptionist, daily cleaning, and essential office infrastructure, including telephones, fax, printer, broadband internet connections and suitable office furniture.

AGMPL also provided additional administrative services to the Company, such as secretarial, accounting and office management services. These services were provided to the Company by AGMPL on reasonable arm's length terms as approved by the independent director(s).

AGMPL Services	Consolidated Entity	
	2015	2014
	$	$
Rent	84,000	60,000
Management and secretarial	126,000	72,000
Geologist fees	270,000	106,416
Executive and corporate services	264,000	216,000
Reimbursement of expenses	94,567	23,831
Total	838,567	478,247

Non-Executive Directors

Non-Executive directors are paid up to $70,000 per annum directors fees.

Director and Executive disclosures

Details of Directors and Company Executives (including Key Management Personnel)

Other than the Executive Directors, no other person is concerned in, or takes part in, the management of the Company or has authority and responsibility for planning, directing and controlling the activities of the entity. As such, during the financial year, the Company did not have any person, other than Directors, that would meet the definition of "Key Management Personnel" for the purposes of AASB124 or "Company Executive or Relevant Group Executive" for the purposes of section 300A of the Corporations Act 2001 (**Act**). Remuneration details of the Company Secretary are disclosed as section 300A(1B)(a) of the Act defines a "Company Executive" to specifically include a secretary of the entity.

Directors and Key Management Personnel

Pnina Feldman	Chairperson
Sholom Feldman	Director / Chief Executive Officer
Meyer Gutnick	Non-Executive Director
David Austin	Alternate Director

Specified Directors	Short term			Post employment		Share based payments	Share based payments	Other			
	Salary & fees $	Cash bonus $	Non-monetary benefits $	Super-annuation $	Termination Benefits $	Shares $	Options $	Bonuses $	Total $	Proportion of remuneration performance Related %	Value of options as a proportion of remuneration %
Pnina Feldman											
2015	132,000	-	-	-	-	-	-	-	132,000	-	-
2014	108,000	-	-	-	-	-	-	-	108,000	-	-
Sholom Feldman											
2015	132,000	-	-	-	-	-	-	-	132,000	-	-
2014	108,000	-	-	-	-	-	-	-	108,000	-	-
Meyer Gutnick											
2015	70,000	-	-	-	-	110,000	-	-	180,000	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
Paul Stephenson											
2015	-	-	-	-	-	-	-	-	-	-	-
2014	8,000	-	-	-	-	27,000	-	-	35,000	-	-
David Austin											
2015	5,000	-	-	-	-	-	-	-	5,000	-	-
2014	-	-	-	-	-	-	-	-	-	-	-
Total Compensation: Directors including Key Management Personnel (Company and Group)											
2015	339,000	-	-	-	-	110,000	-	-	449,000	-	-
2014	224,000	-	-	-	-	27,000	-	-	251,000	-	-
Total Compensation: Executive Officers (Company and Group)											
2015	-	-	-	-	-	-	-	-	-	-	-
2014	-	-	-	-	-	-	-	-	-	-	-

Options and rights over equity instruments granted as compensation

Details of options over ordinary shares in the Company that were granted as compensation to each key management person during the reporting period and details of options that were vested during the reporting period are as follows. The options were issued free of charge. Each option entitles the holder to subscribe for one fully paid ordinary share in the entity at the exercise price shown below.

2015 Directors	Vested Number	Granted Number	Grant Date	Value per Option at Grant Date $	Exercise Price per Share $	First Exercise Date	Last Exercise Date
Pnina Feldman	-	-	-	-	-	-	-
Sholom Feldman	-	-	-	-	-	-	-
Meyer Gutnick	-	-	-	-	-	-	-
David Austin	-	-	-	-	-	-	-
Total	-	-					

2014 Directors	Vested Number	Granted Number	Grant Date	Value per Option at Grant Date $	Exercise Price per Share $	First Exercise Date	Last Exercise Date
Pnina Feldman	-	-	-	-	-	-	-
Sholom Feldman	-	-	-	-	-	-	-
Paul Stephenson	-	-	-	-	-	-	-
David Austin	-	-	-	-	-	-	-
Russell Williams	350,000	-	18-04-2011	0.041	30c	18/4/2013	31/12/2015
Total	350,000	-					

No options have been granted since the end of the financial year. The options were provided at no cost to the recipients.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

Exercise of options granted as compensation

During the period there were no shares issued as a consequence of the exercise of options previously granted as remuneration.

Modification of terms of equity-settled share-based payment transactions

No terms of equity-settled share-based payment transactions (including options and rights granted as compensation to a key management person) have been altered or modified by the issuing entity during the reporting period.

Analysis of share-based payments granted as compensation

2015

In lieu of Directors fees, Meyer Gutnick was issued 5,000,000 fully paid ordinary shares.

2014

In lieu of Directors fees, Paul Stephenson was issued 4,500,000 fully paid ordinary shares.

Exercise of options granted as compensation

During the period there were no shares issued as a consequence of the exercise of options previously granted as remuneration.

End of audited Remuneration Report.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead auditor's independence declaration is set out on page 39 and forms part of the directors' report for the year ended 30 June 2015.

Signed in accordance with a resolution of the Board of Directors:

Pnina Feldman, Chairperson
Dated this 30th day of September 2015

Corporate Governance Statement

Queensland Bauxite Limited's Corporate Governance Statement for the year ended 30 June 2015 (as set out below) is dated as at 30 September 2015 and was approved by the Board of Directors on 30 September 2015.

The Directors of Queensland Bauxite Limited ("QBL**"** and "the Company**"**) have established a framework of corporate governance, which they review on a regular basis.

In order to promote investor confidence and to assist companies meet stakeholder expectations, the Australian Securities Exchange Corporate Governance Council developed and released corporate governance guidelines for Australian entities listed on the Australian Securities Exchange (**ASX**). The third edition, Corporate Governance Principles and Recommendations (**ASX Principles and Recommendations**) was released in March 2014.

The Company's corporate governance policies referred to below are continually updated, as a result of updates in the ASX corporate principles and recommendations. The ASX Principles and Recommendations, in conjunction with the ASX Listing Rules, require companies to disclose whether their corporate governance practices follow the Guidelines on an "if not, why not" basis. This statement outlines the main corporate governance practices adopted by the Board, which comply with the ASX Principles and Recommendations, unless otherwise stated.

The roles of the Board and management

The role of the Board is to oversee and guide the management of QBL and its business with the aim of protecting and enhancing the interests of its shareholders and taking into account the interests of all stakeholders.

The Board is responsible for promoting the success of the Company in a way which ensures that the interests of shareholders and stakeholders are promoted and protected. The Board may delegate some powers and functions to the Chief Executive Officer for the day-to-day management of the Company. Powers and functions not delegated remain with the Board.

The key responsibilities and functions of the Board include the following:

- to develop, review and monitor the Company's long-term business strategies and provide strategic direction to management;
- to ensure policies and procedures are in place to safeguard the Company's assets and business and to enable the Company to act ethically and prudently;
- to develop and promote a system of corporate governance which ensures the Company is properly managed and controlled;
- to identify the Company's principal risks and ensure that it has in place appropriate systems of risk management, internal control, reporting and compliance; and
- to monitor management's performance and the Company's financial results on a regular basis.

The Board's role and the Company's corporate governance practices are continually reviewed and improved as required.

The Company's Executive Directors are implementing the running of the general operations and financial business of the Company in accordance with the delegated authority of the Board.

Board structure and independence

The Company recognises the importance of having a Board comprising Directors with an appropriate range of backgrounds, skills and experience to suit the Company's current and future strategies and requirements. The composition of the board is determined by the application of the following principles:

- persons nominated as Non-Executive Directors shall be expected to have qualifications, experience and expertise of benefit to the Company and to bring an independent view to the Board's deliberations. Persons nominated as Executive Directors must be of sufficient stature and security of employment to express independent views on any matter;
- the Chairman should ideally be independent, but in any case be Non-Executive and be elected by the Board based on his / her suitability for the position;
- all Non-Executive Directors are expected voluntarily to review their membership of the board from time-to-time taking into account length of service, age, qualifications and expertise relevant to the Company's then current policy and programme, together with the other criteria considered desirable for composition of a balanced board and the overall interests of the Company; and
- Executive Directors shall be expected to retire from the board on the relinquishment of their Executive.

The Company has adopted a Policy on Assessing the Independence of Directors which is consistent with the guidelines detailed in the ASX Principles & Recommendations. The Company considers that the Board should have at least three Directors and will aim to have a majority of independent Directors (as required) but acknowledges that this may not be possible at all times due to the size of the Company.

The Company's Board Charter includes guidelines for assessing the materiality of matters which are summarised below:

- A statement of financial position item is material if it has a value of more than 5% of pro-forma net assets or $50,000, whichever is greater.
- A statement of profit or loss and other comprehensive income item is material if it will have an impact on the current year operating results of 5% or more.
- Items are also considered material if they impact the reputation of the Company, they involve a breach of legislation or a potential breach of legislation, if they are outside the ordinary course of business, could affect the Company's rights to its assets, involve a contingent liability that would impact the statement of financial position or statement of profit or loss and other comprehensive income by 5% or more or if they have an effect on operations which is likely to result in a change in net income or dividend distribution of more than 5% upwards or downwards.
- A contract is considered material if it is one which is outside the ordinary course of business, includes exceptionally onerous provisions, any default of the contract may trigger the qualitative statement of financial position or statement of profit or loss and other comprehensive income materiality levels, is essential to the operations of the Company, contains or triggers change of control provisions or is between related parties.

The current Board includes one independent Non-executive director, Meyer Gutnick and two executive directors Pnina Feldman and Sholom Feldman. As such, the Board does not currently have a majority of independent Directors. Meyer Gutnick falls within the requirements of an independent Director as stipulated in the ASX Principles & Recommendations, that is, no past or current relationships exist between these Directors and the Company that may affect their status as an independent Director. Pnina Feldman is Chairperson of the Board. Sholom Feldman is the Chief Executive Officer and Company Secretary. David Austin acts as an independent alternate Director to Sholom Feldman.

A minimum of three Directors is required under the Company's Constitution. Any changes to the composition of the Board will be determined by the Board, subject to any applicable laws and the resolutions of Shareholders. The Board seeks to nominate persons for appointment to the Board who have the qualifications, experience and skills to augment the capabilities of the Board. At each Annual General Meeting, one third of the Directors must resign, with Directors resigning by rotation based on the date of their appointment. Directors resigning by rotation may offer themselves for re-election.

Details of the background, experience and professional skills of each Director and the Company Secretary are set out on pages 3 and 4 of the directors' report and are also available on the Company's website.

Board diversity

At this time, the Company has not established a policy concerning diversity. This is due to the size of the Board and the stage of the Company's development.

The proportion of women in the whole organisation is as follows:

	30 June 2015		30 June 2014	
Gender representation	Female (%)	(Male %)	Female (%)	Male (%)
Board representation	33%	67%	33%	67%
Senior executive positions	50%	50%	50%	50%
All employees	-	-	-	-

Meetings of the Board

The Board intends to meet formally at least eight times a year and on other occasions, as required. The agenda for Board meetings is prepared by the Company Secretary/Chief Executive Officer. Standard items include the Chief Executive Officer's report, financial reports, strategic matters, risk management and governance and compliance matters. Executives are available to participate in Board discussions as required.

Board access to information and independent advice

All Directors have unrestricted access to all employees of the Company and, subject to the law and the terms of Deeds of Access, Insurance and Indemnity, access to all Company records.

Each Director may, with the prior written approval of the Chairman, obtain independent professional advice to assist the Director in the proper exercise of powers and discharge of duties as a Director or as a member of a Board Committee. The Company will reimburse the Director for the reasonable expense of obtaining that advice.

Conflicts of interest

In accordance with the Corporations Act, directors must keep the Board advised, on an ongoing basis, of any interest that could potentially conflict with those of the Company. Where the Board believes that a significant conflict exists, the director concerned does not receive the relevant Board papers and is not present at the meeting whilst the item is considered.

Non–Executive Directors' Committee

Given the size of the Board and the stage of the Company's development, the Directors do not feel that a separate Non-Executive Directors' Committee, nomination committee and remuneration committee is appropriate, however the responsibilities of the committees are carried out by the Board of Directors.

Company code of conduct

The Board has adopted a Company Code of Conduct to promote ethical and responsible decision making by all employees (including Directors). The Code embraces the values of honesty, integrity, accountability and equality and to strive to enhance the reputation and performance of the Company. In summary the overriding principles are:

- all employees must conduct their duties honestly and in the best interests of the Company as a whole;
- treat other stakeholders fairly and without discrimination;
- respect confidentiality and do not misuse Company information or assets;
- conduct themselves in accordance with both the letter and spirit of the law; and
- maintain a safe working environment.

A breach of the Code is subject to disciplinary action which may include termination of employment.

Securities trading policy

The Board has adopted a policy and procedure on dealing in the Company's securities by Directors, Officers and employees. The Guidelines for Dealing in Securities Policy adopted by the Board requires that:

- Trading in Shares by directors, senior executives and employees is limited to specific periods, following the release of an annual report and half year results. Outside of these "window" periods, all directors, senior executives and employees, must follow the Guidelines for Dealing in Securities Policy and receive clearance for any proposed dealing in the Company's shares on the ASX prior to undertaking a transaction.
- A Director must receive clearance from the Chairman before he may buy or sell Shares. If the Chairman wishes to buy or sell Shares they must first obtain clearance from the Chief Executive Officer.
- Senior executives and employees must receive clearance from the Chief Executive Officer before they may buy or sell Shares.
- Directors, senior executives and employees must be aware of and observe their obligations under the Corporations Act not to buy or sell Shares if in possession of price sensitive non-public information and that they do not communicate price-sensitive non-public information to any person who is likely to buy or sell Shares or communicate such information to another party.

Audit and compliance committee

Given the present size of the Company and the Board, the usual functions of an Audit and Compliance Committee are attended to by all members of the board and any relevant matters are discussed at board level. The Board believes no efficiencies or other benefits could be gained by establishing a separate Audit and Compliance Committee.

The Company's auditor is Nexia Court & Co – Chartered Accountants. They were appointed in January 2008. The auditor attends and is available to answer questions at the Company's annual general meeting.

The Company's Chief Executive Officer has provided a declaration in accordance with section 295A of the Corporations Act in writing to the Board that:

- the consolidated financial statements of the Company and its controlled entities for each half and full year present a true and fair view, in all material aspects, of the Company's financial condition and operational results and are in accordance with accounting standards;
- the above statement is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board; and
- the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

Continuous disclosure

The Company understands and respects that timely disclosure of price sensitive information is central to the efficient operation of the ASX and has adopted a comprehensive Information Policy.

The purpose of this Information Policy is to set out the procedure for:

- protecting confidential information from unauthorised disclosure;
- identifying material price sensitive information and reporting it to the Company Secretary for review;
- ensuring the Company achieves best practice in complying with its continuous disclosure obligations under the Corporations Act and ASX Listing Rules; and
- ensuring the Company and individual officers do not contravene the Corporations Act or ASX Listing Rules.

The Company's Information Policy is reviewed periodically and updated as required.

Communications with shareholders

The Company has a Shareholder Communications Policy that promotes effective communication with shareholders and encourages presentation of information to shareholders in a clear, concise and effective manner.

The Company will communicate information on its activities and financial performance through the issue of the annual and half year financial reports, reports on activities and cash flows and through other announcements released to the ASX.

The Company posts all reports, ASX announcements, media releases and copies of newspaper reports on the Company's website at www.queenslandbauxite.com.au. The website will contain an archive of ASX announcements and annual reports. The Company will, wherever practical, take advantage of new technologies that provide greater opportunities for more effective communications with shareholders.

The Company will ensure that the annual general meeting is held in a manner that enables as many shareholders as possible to attend and encourages effective participation by shareholders. The Company requires the attendance of the external auditor at the Company's annual general meeting and to be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.

Risk management

Responsibility for control and risk management is delegated to the appropriate level of management with the Chief

Executive Officer having ultimate responsibility to the Board for the risk management and control framework.

The Company is committed to the identification, monitoring and management of risks associated with its business activities and has established various financial and operational reporting procedures and other internal control and compliance systems in this regard. These include the following:

- the Chief Executive Officer is required to report on the management of risk as a standing agenda item at each Board meeting. This involves the tabling of a Risk Register which is actively monitored and updated by management,
- delegated authority limits exist in respect of financial expenditure and other business activities;
- a comprehensive annual insurance programme is undertaken;
- internal controls exist to safeguard the Company's assets and ensure the integrity of business processes and reporting systems;
- annual budgeting and monthly reporting systems for business operations is undertaken which enable the monitoring of progress against performance targets and the evaluation of trends;
- appropriate due diligence procedures are undertaken for acquisitions and divestments; and
- disaster recovery procedures and crisis management systems exist.

The Company's Chief Executive Officer has provided a declaration that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards. Additionally, the Chief Executive Officer has stated that the declaration is based on a sound system for risk management and internal compliance and control which implements the policies adopted by the Board and the Company's risk management and internal compliance and control framework is operating efficiently and effectively in all material respects.

The Board also requires management to report to it confirming that those risks are being managed effectively. The Board has received assurance from the Chief Executive Officer that the Company's management of its material business risks are effective.

ASX Listing Rule Disclosure – Exception Reporting

The following table discloses the extent to which QBL has followed the best practice recommendations set by the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (2nd Edition).

Principle No	Best Practice Recommendation	Compliance	Reasons for Non-compliance
1.5	A listed entity should establish a policy of diversity.	Currently, the Company has 33% female representation of the Board.	The Board considers that its structure has been and continues to be appropriate in the context of the Company's recent history and the scope and scale of the Company's operations. Persons have been selected as directors to bring specific skills and industry experience relevant to the Company.
1.6	A listed entity should have a process of periodically evaluating the performance of the board	The board has not established an evaluation of performance process.	Given the size of the Company and the Board, the Board believes no benefits could be gained by establishing an evaluation of performance process.

	and individual directors.		
1.7	A listed entity should have a process for periodically evaluating the performance of its senior executives.	The board has not established an evaluation of performance process.	Given the size of the Company and the Board, the Board believes no benefits could be gained by establishing an evaluation of performance process.
2.1	The Board should establish a nomination committee.	The Board has not established a separate nomination committee.	Given the size of the Board and the stage of the Company's development, the Directors do not feel that a separate nomination committee is appropriate. The Board believes no efficiencies or other benefits could be gained by establishing a Non-Executive Directors' Committee.
2.4	A majority of the Board should be independent directors.	Currently, the Company has one independent director and two non-independent directors.	The Board considers that its structure has been, and continues to be, appropriate in the context of the Company's recent history and the scope and scale of the Company's operations. Persons have been selected as directors to bring specific skills and industry experience relevant to the Company.
2.5	The chair of the board of a listed Company should be independent.	The chair of the Company is not an independent director.	Given the size of the Company and the Board, the Board believes no benefits could be gained by having an independent chair.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	The Board has not established this program.	The Board considers that its structure has been and continues to be appropriate in the context of the Company's recent history and the scope and scale of the Company's operations. Persons have been selected as directors to bring specific skills and industry experience relevant to the Company.
4.1	The audit committee should be structured so that is has at least three members.	The Company does not have a separate Audit and Compliance Committee.	Given the present size of the Company and the Board, the Board believes no efficiencies or other benefits could be gained by establishing a larger Audit and Compliance Committee.
8.1	The Board should establish a remuneration committee.	The Board has not established a remuneration committee.	Given the size of the Board and the stage of the Company's development, the Directors do not feel that a separate remuneration committee is appropriate.

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The Board of Directors
Queensland Bauxite Limited
67 Penkivil Street
BONDI NSW 2026

To the Board of Directors of Queensland Bauxite Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead audit partner for the audit of the financial statements of Queensland Bauxite Limited for the financial year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been no contraventions of:

(a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and

(b) any applicable code of professional conduct in relation to the audit.

Yours sincerely

Nexia Court & Co

Nexia Court & Co
Chartered Accountants

Joseph Santangelo
Partner

Sydney
30 September 2015

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Financial Statements

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2015

	Note	2015 $	2014 $
Administrative and corporate expenses		(277,111)	(343,684)
Depreciation		(4,900)	(11,100)
Foreign currency exchange loss realised		(28,587)	-
Brokerage fee		(54,600)	-
Legal expenses		(71,766)	(99,185)
Directors fees	7	(339,000)	(224,000)
Occupancy expenses		(84,000)	(60,000)
Exploration written off	17	(220,344)	(134,715)
Impairment of exploration assets	17	(672,140)	(89,890)
Impairment of other receivables		(1,884)	(22,650)
Write off loan to Regius Coal Mining Limited		-	(504,441)
Travelling expenses – directors travel		(36,154)	(211,915)
Other expenses		(29,628)	(32,897)
Share based payments expense- non executive directors fees	7, 26	(110,000)	(27,000)
Share based payments expense - consulting fees	26	(677,500)	(219,000)
Operating loss		(2,607,614)	(1,980,477)
R&D Tax Rebate		53,586	-
Finance income	8	171,152	167,064
Finance cost	8, 26	(24,091)	(586,213)
Net finance income/(costs)		**147,061**	**(419,149)**
Loss before income tax		**(2,406,967)**	**(2,399,626)**
Income tax benefit	9	-	-
Loss after tax from continuing operations		**(2,406,967)**	**(2,399,626)**
Other comprehensive income, net of tax		-	-
Total comprehensive loss		**(2,406,967)**	**(2,399,626)**
Loss attributable to members of Queensland Bauxite Limited		**(2,406,967)**	**(2,399,626)**
Total comprehensive income attributable to members of Queensland Bauxite Limited	23	**(2,406,967)**	**(2,399,626)**

Basic earnings per share (cents per share)	12	(0.43)	(0.80)
Basic earnings per share from continuing operations (cents per share)	12	(0.43)	(0.80)
Diluted earnings per share (cents per share)	12	(0.43)	(0.80)
Diluted earnings per share from continuing operations (cents per share)	12	(0.43)	(0.80)

The accompanying notes form part of these financial statements.

Consolidated statement of financial position

As at 30 June 2015

	Note	2015 $	2014 $
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	13	6,103,305	4,110,629
Trade and other receivables	14	145,940	65,346
TOTAL CURRENT ASSETS		6,249,645	4,175,975
NON-CURRENT ASSETS			
Other non-current assets	15	16,792	1,292
Exploration and evaluation	17	2,012,272	835,794
Property, plant and equipment	18	33,192	25,050
TOTAL NON-CURRENT ASSETS		2,062,256	862,136
TOTAL ASSETS		8,311,501	5,038,111
LIABILITIES			
CURRENT LIABILITIES			
Trade and other payables	19	303,382	295,195
Other financial liabilities	20	-	69,506
TOTAL CURRENT LIABILITIES		303,382	364,701
TOTAL LIABILITIES		303,382	364,701
NET ASSETS		8,008,119	4,673,410
EQUITY			
Share capital	21	19,134,223	15,549,138
Share based payments reserve	22	4,961,241	2,816,550
Accumulated losses	23	(16,087,345)	(13,692,278)
TOTAL EQUITY		8,008,119	4,673,410

The accompanying notes form part of these financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2015

	Note	Share Capital Ordinary $	Accumulated Losses $	Share Based Payments Reserve $	Total $
Balance at 30 June 2013		13,559,013	(11,572,652)	2,409,750	4,396,111
Loss attributable to members of consolidated entity	23	-	(2,399,626)	-	(2,399,626)
Share based payments	22	-	-	686,800	686,800
Transfer from share based payments reserve to accumulated losses	23	-	280,000	(280,000)	-
Shares issued during the year	21	1,990,125	-	-	1,990,125
Balance at 30 June 2014		15,549,138	(13,692,278)	2,816,550	4,673,410
Loss attributable to members of consolidated entity	23	-	(2,406,967)	-	(2,406,967)
Share based payments	22	-	-	2,156,591	2,156,591
Transfer from share based payments reserve to accumulated losses	23	-	11,900	(11,900)	-
Shares issued during the year	21	3,585,085	-	-	3,585,085
Balance at 30 June 2015		19,134,223	(16,087,345)	4,961,241	8,008,119

The accompanying notes form part of these financial statements.

Consolidated statement of cash flows

For the year ended 30 June 2015

	Note	Consolidated Entity 2015 $	2014 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Payments to suppliers and employees		(1,136,847)	(1,716,689)
Interest received		170,216	167,064
Other receipts		-	60,014
Interest paid		-	(287)
Net cash from operating activities	25	(966,631)	(1,489,898)
CASH FLOWS FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(13,042)	-
Proceeds from deposits		20,000	110,000
Payment for deposits		(15,500)	-
Payment for exploration asset		(503,618)	(37,661)
Net cash from investing activities		(512,160)	72,339
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from convertible bonds		-	200,000
Proceeds from convertible notes		609,300	124,705
Proceeds from share issue		2,862,167	-
Net cash from financing activities		3,471,467	324,705
Net increase/(decrease) in cash held		1,992,676	(1,092,854)
Cash at beginning of financial year		4,110,629	5,203,483
Cash at end of financial year	13	6,103,305	4,110,629

The accompanying notes form part of these financial statements.

Notes to the financial statements for the year ended 30 June 2015

1 Reporting entity

Queensland Bauxite Limited (the ‘Company’) is a company domiciled in Australia. The address of the company’s registered office is 67 Penkivil Street, Bondi NSW 2026. The consolidated financial statements of the Company as at and for the year ended 30 June 2015 comprise the Company and its subsidiaries (together referred to as the ‘Group’ and individually as ‘Group entities’).

The Group is a for-profit entity and is primarily involved in the exploration for mineral deposits.

2 Basis of preparation

a Statement of compliance

The consolidated financial statements are general purpose financial statements which have been prepared in accordance with Australian Accounting Standards (‘AASBs’) adopted by the Australian Accounting Standards Board (‘AASB’) and the Corporations Act 2001. The consolidated financial statements comply with International Financial Reporting Standards (‘IFRSs’) adopted by the International Accounting Standards Board (‘IASB’).

The consolidated financial statements were authorized for issue by the Board of Directors on 30 September 2015. The Board of Directors have the power to amend and reissue the financial statements.

b Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- Other non-derivative financial liabilities

The methods used to measure fair values are discussed further in note 5.

c Functional and presentation currency

These consolidated financial statements are presented in Australian dollars, which is the Company’s functional currency and the functional currency of the Group.

d Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, and have been applied consistently by Group entities.

a Basis of consolidation

i Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group. Control is the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, the Group takes into consideration potential voting rights that currently are exercisable.

ii Subsidiaries

Subsidiaries are entities controlled by the Group. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

iii Transactions eliminated on consolidation

Intra-group balances, and any unrealised income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements.

b Financial instruments

i Non-derivative financial assets

The Group initially recognizes loans and receivables on the date that they are originated. All other financial assets are recognized initially on the trade date at which the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial asset when the contractual rights to the cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability.

The Group has the following non-derivative financial assets: loans and receivables.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition loans and receivables are measured at amortised cost, less any impairment losses.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments.

ii Non-derivative financial liabilities

The Group initially recognizes debt securities issued on the date that they are originated. All other financial liabilities are recognized initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group classifies the non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognized initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost.

Other financial liabilities comprise loans and borrowings and trade and other payables.

iii Share capital

Ordinary shares

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects.

iv Compound financial instruments

Compound financial instruments issued by the Group comprise convertible bonds and convertible notes that can be converted to share capital at the option of the holder, when the number of shares to be issued is fixed.

The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option. The equity component is recognised initially as the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition.

Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified to equity and no gain or loss is recognised.

c Property, plant and equipment

i Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

ii Subsequent costs

Subsequent expenditure is capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance is expensed as incurred.

iii Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis in profit and loss over the estimated useful lives of each component. Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

. plant and equipment 14 years

. office equipment 7 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

d Exploration and evaluation expenditure

Exploration and evaluation expenditure, including the costs of acquiring the licences, are capitalised as exploration and evaluation assets on an area of interest basis. Costs incurred before the Company has obtained the legal rights to explore an area are recognised in the statement of profit or loss and other comprehensive income.

Exploration and evaluation assets are only recognised if the rights of the area of interest are current and either:

the expenditures are expected to be recouped through successful development and exploitation or from sale of the area of interest; or

activities in the area of interest have not at the reporting date, reached a stage which permits a reasonable assessment of the existence or otherwise of economically recoverable reserves, and active and significant operations in, or in relation to, the area of interest are continuing.

Exploration and evaluation assets are assessed for impairment if (i) sufficient data exists to determine technical feasibility and commercial viability, and (ii) facts and circumstances suggest that the carrying amount exceeds the recoverable amount (see impairment accounting policy (e)). For the purposes of impairment testing, exploration and evaluation assets are allocated to cash-generating units to which the exploration activity relates. The cash generating unit shall not be larger than the area of interest.

Once the technical feasibility and commercial viability of the extraction of mineral resources in an area of interest are finalised, exploration and evaluation assets attributable to that area of interest are first tested for impairment and then reclassified to mining property and development assets within property, plant and equipment.

When an area of interest is abandoned or the directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made.

e Impairment

i Non-derivative financial assets

A financial asset is impaired if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset, and that the loss event(s) had an impact on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets are impaired includes default or delinquency by a debtor.

The Group considers evidence of impairment for financial assets at a specific asset level.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. Losses are recognized in profit and loss and reflected in an allowance account against loans and receivables.

ii Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Impairment losses are recognized in profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

f Revenue

Revenue is recognized at the fair value of consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances and duties and taxes paid.

Interest

Revenue is recognised as interest accrues using the effective interest method. The effective interest method uses the effective interest rate which is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset.

g Finance income and finance costs

Finance income comprises interest income on funds invested. Interest income is recognised as it accrues, using the effective interest method.

Finance costs comprise interest expense and other costs of borrowings. All finance costs are recognised in profit or loss using the effective interest method.

h Tax

Tax expense comprises current and deferred tax. Current and deferred tax is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized for unused tax losses and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The Company and its wholly-owned Australian resident entities are part of a tax-consolidated group. As a consequence, all members of the tax-consolidated group are taxed as a single entity. The head entity within the tax-consolidated group is Queensland Bauxite Limited.

i Goods and services tax

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the cash flow statement on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

j Going concern basis of accounting

Notwithstanding the loss for the year, negative cash flow from operations and historical financial performance, the financial report has been prepared on a going concern basis. This assessment is based on a cash at bank balance at balance date, and the directors' understanding of expected cash outflows in the coming financial year.

4 New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 July 2015, and have not been applied in preparing these consolidated financial statements of the Group. None of these is expected to have a significant effect on the consolidated financial statements of the Group.

5 Determination of fair values

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

Other non-derivative financial liabilities

Other non-derivative financial liabilities are measured at fair value, at initial recognition and for disclosure purposes, at each annual reporting date. Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the measurement date. In respect of the liability component of convertible notes and convertible bonds, the market rate of interest is determined with reference to similar liabilities that do not have a conversion option.

6 Financial risk management

Overview

The Company and Group have exposure to the following risks from their use of financial instruments:

liquidity risk; and

market risk.

This note presents information about the Company's and Group's exposure to each of the above risks, their objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout this financial report.

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework.

Risk management policies are established to identify and analyse the risks faced by the Company and Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's and Group's activities. The Company and Group, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses.

Market risk

Market risk is the risk that changes in market prices will affect the Group, for example changes in interest rates.

Note 7: Expenses

	2015 $	2014 $
Employee benefits expense:		
Directors fees	339,000	224,000
Share based payments expense	110,000	27,000
	449,000	251,000

Note 8: Finance costs

	2015 $	2014 $
Interest income on cash at bank	171,152	167,064
Finance income	**171,152**	**167,064**
Financial liabilities measured at amortised cost – interest expense		
Equity settled (share based payment expense - note 27)	-	(406,800)
Equity settled (converted to ordinary shares)	-	(134,926)
Equity settled (share based payment expense – note 27)	(24,091)	(34,000)
Cash settled	-	(10,200)
Other interest expense	-	(287)
Finance costs	**(24,091)**	**(586,213)**
Net finance income/(costs)	**147,061**	**(419,149)**

Note 9: Income tax

	2015 $	2014 $
Major components of income tax expense		
a. Income tax benefit		
Accounting loss	(2,406,967)	(2,399,626)
Prima facie tax benefit on the loss from ordinary activities before income tax at 30% (2014: 30%) differs from the income tax provided in the financial statements as follows:		
Tax benefit at 30%	(722,090)	(719,887)
Add/(Less) tax effect		

- Non-deductible expenses	430,512	243,770
- Exploration expenditure capitalised	(151,323)	(11,298)
Deferred tax asset not brought to account	442,901	487,415
Income tax benefit attributable to operating loss	-	-

	2015	2014
b. Unrecognised deferred tax assets	**$**	**$**
Deferred tax assets have not been recognised In respect of the following item:		
Tax losses - income	3,367,643	2,950,795
Tax losses - capital	147,356	147,356

The deductible temporary differences and tax losses do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom.

Note 10: Key management personnel disclosures

Names and positions held of economic and parent entity key management personnel in office at any time during the financial year are:

Key management person	Position
Pnina Feldman	Chairperson
Sholom Feldman	Director / Chief Executive Officer
Meyer Gutnick	Non-Executive Director
David Austin	Alternate Director

The key management personnel remuneration has been included in the remuneration report section of the director’s report.

Options and rights over equity instruments granted as compensation

The movement during the reporting period in the number of options over ordinary shares in QBL held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2015

	Held at 1 July 2014	Granted as compensation	Expired	Held at 30 June 2015	Vested during the year	Vested and exercisable at 30 June 2015
Directors						
Pnina Feldman	-	-	-	-	-	-
Sholom Feldman	-	-	-	-	-	-
Meyer Gutnick	-	-	-	-	-	-
David Austin	-	-	-	-	-	-

2014

	Held at 1 July 2013	Granted as compensation	Expired	Held at 30 June 2014	Vested during the year	Vested and exercisable at 30 June 2014
Directors						
Pnina Feldman	-	-	-	-	-	-
Sholom Feldman	-	-	-	-	-	-
Meyer Gutnick	-	-	-	-	-	-
Paul Stephenson	-	-	-	-	-	-
Russell Williams	700,000	-	-	700,000	-	700,000
David Austin	-	-	-	-	-	-

No options held by key management personnel are vested but not exercisable.

Movements in shares

The movement during the reporting period in the number of ordinary shares in QBL held, directly, indirectly or beneficially, by each key management person, including their related parties, is as follows:

2015

	Held at 1 July 2014	Acquired	Disposed	Held at 30 June 2015
Directors	-	-	-	
Pnina Feldman (1)(2)	107,252,166	26,813,042	5,000,000	129,065,208
Sholom Feldman (1)(2)	107,252,166	26,813,042	5,000,000	129,065,208
Meyer Gutnick	-	5,000,000	-	5,000,000
David Austin	-	-	-	-

2014

	Held at 1 July 2013	Acquired	Disposed	Held at 30 June 2014
Directors	-	-	-	
Pnina Feldman (1)(2)	109,252,166	-	2,000,000	107,252,166
Sholom Feldman (1)(2)	109,252,166	-	2,000,000	107,252,166
Meyer Gutnick	-	-	-	-
Paul Stephenson	-	4,500,000	-	4,500,000
Russel Williams	-	-	-	-
David Austin	-	-	-	-

(1) Pnina Feldman and Sholom Feldman are each directors of L'Hayyim Pty Ltd which holds 2,815,208 Shares and 281,521 options exercisable at 10 cents each on or before 31 July 2016 in its capacity as trustee of the 770 Unit Trust; and

(2) Pnina Feldman and Sholom Feldman are each directors of Volcan Australia Corporation Pty Ltd which holds 126,250,000 shares and 65,000,000 options exercisable at 5 cents each on or before 31 December 2015 and 13,125,000 options exercisable at 10 cents each on or before 31 July 2016.

Note 11: Auditors' remuneration

	2015 $	2014 $
Remuneration of the auditor (Nexia Court & Co) of the parent entity for:		
An audit or review of the financial report of the Company		
- Current year	34,670	46,986
- Half-year	29,219	25,420
Other services		
- Taxation services	3,000	7,441
	66,889	79,847

Note 12: Earnings per share

	2015	2014
Basic Earnings per Share		
a. Basic loss per share (cents)	(0.43)	(0.80)
Loss attributable to ordinary shareholders ($)	(2,406,967)	(2,399,626)
Earnings used to calculate basic EPS ($)	(2, 406,967)	(2,399,626)
	No.	No.
b. Issued ordinary shares at 1 July	403,104,263	271,363,192
Effect of shares issued during the year	153,715,131	27,466,226
.		
Weighted average number of ordinary shares at 30 June	556,819,394	298,829,418

Diluted Earnings per Share

		2015	2014
a.	Basic loss per share (cents)	(0.43)	(0.80)
	Loss attributable to ordinary shareholders ($)	(2,406,967)	(2,399,626)
	Earnings used to calculate diluted EPS ($)	(2,406,967)	(2,399,626)
		No.	No
b.	Weighted average number of ordinary shares (basic)	556,819,394	298,829,418
	Weighted average number of ordinary shares (diluted) at 30 June	556,819,394	298,829,418

As at 30 June 2015, 272,498,825 options (2014: 169,200,000) were excluded from the diluted weighted-average number of ordinary shares calculation because their effect would have been anti-dilutive.

The average market value of the Company's shares for the purpose of calculating the dilutive effect of share options was based on quoted market prices for the year.

Note 13: Cash and cash equivalents

	2015 $	2014 $
CURRENT		
Cash on hand	100	100
Cash at bank	6,103,205	4,110,529
Cash and cash equivalents in the statement of cash flows	6,103,305	4,110,629

Note 14: Trade and other receivables

	2015 $	2014 $
CURRENT		
Deposits	10,000	30,000
Prepayments	-	-
Other debtors	54,522	131,773
Less impairment of other debtors	-	(131,773)
GST receivable	81,418	33,986
Loan to Joytell Pty Ltd -Unsecured	-	1,360
	145,940	65,346

Note 15: Other assets

	2015 $	2014 $
CURRENT		
Loan to Volcan Australia Corporation Pty Ltd - Unsecured#	1,200,000	1,200,000
Less impairment of loan	(1,200,000)	(1,200,000)
Loan to Volcan Australia Corporation Pty Ltd – Unsecured	72,416	70,532
Less impairment of loan	(72,416)	(70,532)
	-	-
NON-CURRENT		
Deposits	15,500	-
Loan to Australian Iron Ore Pty Ltd – Unsecured	1,292	1,292
	16,792	1,292

The loan to Volcan Australia Corporation Pty Ltd (VAC) was not a cash loan from QBL to VAC, but the amount that was to be paid by VAC in consideration for the transfer to Volcan Australia Corporation Pty Ltd of ML1492 from the company pursuant to the transactions completed on 14th December 2010 as approved at the time by shareholders at an EGM. This amount was unsecured, due for payment in cash on 14th December 2012, and there was no interest payable on the amount due. VAC was to have invested in the development of that asset and monetised that asset within that time period, and pay QBL the above amount. Following the transactions in 2010, although VAC did invest in the asset as contemplated, the market worsened and VAC was not able to monetise the asset prior to 14th December 2012. The directors have agreed that it is in QBL's interest to allow VAC further time to endeavour to monetise the asset to make the agreed payment from that asset. As the timing of this payment is at present uncertain, it is considered prudent for this amount to be impaired in the accounts until the payment is able to be made.

Note 16: Controlled entities

		Country of incorporation	Percentage owned (%) 2015	2014
a.	Controlled entities consolidated			
	Parent entity:			
	Queensland Bauxite Limited	Australia		
	Subsidiaries of Queensland Bauxite Limited			
	Pilbara Gold Holdings Pty Ltd #	Australia	100%	100%
	South Johnstone Bauxite Pty Ltd	Australia	100%	100%
	Volcan Queensland Bauxite Pty Ltd	Australia	100%	100%

* Percentage of voting power is in proportion to ownership.

This subsidiary was deregistered by the Australian Securities and Investments Commission on 18 November 2012. QBL is in the process of reregistering the subsidiary.

Note 17: Exploration and evaluation

	2015 $	2014 $
NON-CURRENT		
Balance as at 30 June	835,794	888,023
Mining permits, tenement acquisition and administration and geologist expenses	1,848,618	37,661
Impairment of exploration assets	(672,140)	(89,890)
Balance as at 30 June	2,012,272	835,794
Exploration expenses written off during the year	220,344	134,715

The value of the Company's interest in exploration expenditure is dependent upon the:

- continuance of the economic entity's right to tenure of the areas of interest;
- results of future exploration, and
- recoupment of costs through successful development and exploitation of the areas of interest, or alternatively, by their sale.

Note 18: Property, plant and equipment

	2015 $	2014 $
NON-CURRENT		
Mining Equipment		
At cost	188,074	175,033
Accumulated depreciation	(154,882)	(149,983)
Total written down amount	33,192	25,050

Movements in carrying amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial year.

2015	Mining Equipment $	Total $
Consolidated Entity:		
Carrying amount year ended 30 June 2014	25,050	25,050
Additions	13,042	13,042
Disposals	-	-
Depreciation expense	(4,900)	(4,900)
Impairment loss	-	-
Carrying amount year ended 30 June 2015	33,192	33,192

2014	Mining Equipment $	Total $
Consolidated Entity:		
Carrying amount year ended 30 June 2013	36,150	36,150
Additions	-	-
Disposals	-	
Depreciation expense	(11,100)	(11,100)
Impairment loss	-	-
Carrying amount year ended 30 June 2014	25,050	25,050

Note 19: Trade and other payables

	2015 $	2014 $
CURRENT		
Unsecured liabilities		
Trade payables	243,132	212,695
Accrued expenses	60,250	82,500
	303,382	295,195

Note 20: Other financial liabilities

	2015 $	2014 $
CURRENT		
Convertible notes - Unsecured	-	69,506
	-	69,506

Note 21: Issued capital

	2015 $	2014 $
737,908,636 (2014: 403,104,263) fully paid ordinary shares (no par value)	19,134,223	15,549,138

The Company has no authorised capital.

		2015 No.	2015 $	2014 No.	2014 $.
a.	**Ordinary shares**				
	At the beginning of reporting period	403,104,263	15,549,138	271,363,192	13,559,013
	Share based payments (note 26)	80,517,070	-	31,000,000	-
	Conversion of convertible bonds into ordinary shares	-	-	90,000,000	1,800,000
	Conversion of interest due on convertible bonds into ordinary shares	-	-	6,746,301	134,926
	Conversion of convertible notes into ordinary shares	50,989,654	722,918	3,994,770	55,199
	Placement under NRRI	127,297,649	1,782,167	-	-
	Placement CTBIC	65,000,000	910,000	-	-

	2015 No.	2015 $	2014 No.	2014 $.
Placement @ 0.02	1,000,000	20,000	-	-
Placement shares @ 0.015	10,000,000	150,000	-	-
At reporting date	737,908,636	19,134,223	403,104,263	15,549,138

Terms and Conditions of Issued Capital

a. Ordinary Shares

Ordinary shares have the right to receive dividends as declared by the board and, in the event of winding up the Company, to participate in the proceeds from the sale of all surplus assets in proportion to the number of and amounts paid up on shares held. Ordinary shares entitle the holder to one vote either in person or by proxy at a meeting of the Company.

b. Options on issue

The following reconciles the outstanding share options at the beginning and year end of the financial year:

	2015 No.	2014 No.
Description		
At the beginning of reporting period	169,200,000	84,200,000
Granted during the financial year	103,648,825	90,000,000
Forfeited during the financial year	-	-
Exercised during the financial year	-	-
Expired during the financial year	(350,000)	(5,000,000)
Balance at the end of the financial year	272,498,825	169,200,000
Exercisable at the end of the financial year	272,498,825	169,200,000

Each of the options entitles the holder to one fully paid ordinary share in the Company. The terms of the options on issue are:

- 350,000 exercisable at $0.30 on or before 31 December 2015;
- 1,000,000 exercisable at $0.25 on or before 31 December 2015;
- 65,000,000 exercisable at $0.05 on or before 31 December 2015;
- 12,500,000 exercisable at $0.03 on or before 2 July 2016;
- 63,648,825 exercisable at $0.10 on or before 31 July 2016;
- 90,000,000 exercisable at $0.03 on or before 12 November 2016;
- 10,000,000 exercisable at $0.08 on or before 16 September 2017;
- 10,000,000 exercisable at $0.10 on or before 16 September 2017;
- 5,000,000 exercisable at $0.15 on or before 16 September 2017;
- 5,000,000 exercisable at $0.20 on or before 16 September 2017;
- 10,000,000 exercisable at $0.03 on or before 28 February 2018; and
- 2,846,046 exercisable at $0.06 on or before 31 August 2018.

Note 22: Share based payments reserve

The share based payments reserve records items recognised as expenses on share based payments.

	Consolidated Entity	
	2015 $	2014 $
Balance as at 1 July	2,816,550	2,409,750
Equity settled share based payment – non-executive directors fees – shares	-	27,000
Equity settled share based payment – non-executive directors fees – Shares issued in lieu of directors fees to Meyer Gutnick	110,000	-
Equity settled share based payment – consulting fees – shares	635,500	219,000
Equity settled share based payment – consulting fees to employees– shares issued to employees of related entity Australian Gemstone Mining Pty Ltd	42,000	-
Equity settled share based payment – Acquisition of 50% EL7301 – shares and options	1,345,000	
Equity settled share based payment – finance costs – options	-	406,800
Equity settled share based payment – finance costs – shares issued in respect to finance costs relating to the issue of convertible notes	24,091	34,000
Transfer to accumulated losses for expired and forfeited options	(11,900)	(280,000)
Balance as at 30 June	4,961,241	2,816,550

Note 23: Accumulated losses

	2015 $	2014 $
Balance as at 1 July	(13,692,278)	(11,572,652)
Loss for the year	(2,406,967)	(2,399,626)
Transfer from share based payments reserve for expired and forfeited options	11,900	280,000
Balance as at 30 June	(16,087,345)	(13,692,278)

Note 24: Commitments for expenditure

	2015 $	2014 $
Exploration and evaluation		
– not later than 1 year	955,500	198,000
– later than 1 year but no later than 5 years	-	-
	955,500	198,000

Note 25: Reconciliation of cash flows from operating activities

	2015 $	2014 $
a. **Cash flows from operating activities**		
Loss for the year	(2,406,967)	(2,399,626)
Non-cash flows in loss		
Impairment of exploration assets	672,140	89,890
Impairment of receivables	1,884	22,650
Depreciation	4,900	11,100
Share based payments expense	811,591	686,800
Realised foreign currency exchange loss`	28,587	-
Interest paid	-	134,926
Changes in assets and liabilities, net of the effects of purchase and disposal of subsidiaries		
(Increase)/decrease in trade and other receivables	(1884)	2,350
Decrease in prepayments	-	3,191
(Increase)/decrease in other debtors	(54,522)	-
(Increase)/decrease in GST receivable	(47,432)	6,809
Decrease/(increase) in trade payables and accruals	23,712	(44,728)
Increase/(decrease) in other loans	1,360	(3,260)
Net cash from operating activities	(966,631)	(1,489,898)

Note 26: Share based payment arrangements

Description of the share based payment arrangements

The following share based payment arrangements exist at 30 June 2015.

Options granted

The terms and conditions related to the grant of share options to purchase EL7301 are as follows; all options are to be settled by the physical delivery of the shares.

Grant date/ persons entitled	Number of options	Vesting conditions	Contractual life of option
Options granted to purchase EL7301	30,000,000	Nil	3 years

On 15 September 2014

All share options granted to purchase EL7301, confer a right of one ordinary share for every option held.

Ordinary shares granted

On 15 September 2014, the Company issued 37,500,000 ordinary shares as consideration for the purchase of EL7301. The share price at the grant date was $0.024 per share resulting in consideration of $900,000.

On 2 July 2014, the Company issued 1,500,000 ordinary shares as consideration for consulting services. The share price at the grant date was $0.021 per share, resulting in consideration for consulting services of $31,500.

On 19 August 2014, the Company issued 5,000,000 ordinary shares as consideration for consulting services. The share price at the grant date was $0.019 per share, resulting in consideration for consulting services of $95,000.

On 10 September 2014, the Company issued 2,000,000 ordinary shares as consideration for consulting services. The share price at the grant date was $0.021 per share, resulting in consideration for consulting services of $42,000 in total paid to employees of Australian Gemstone Mining Pty Ltd.

On 19 September 2014, the Company issued 5,000,000 ordinary shares to Meyer Gutnick in lieu of non-executive director fees. The share price at the grant date was $0.022 per share, resulting in non-executive directors fees of $110,000.

On 24 September 2014, the Company issued 5,000,000 ordinary shares as consideration for consulting services. The share price at the grant date was $0.023 per share, resulting in consideration for consulting services of $115,000.

On 24 October 2014 the Company issued 3,600,000 ordinary shares as consideration for consulting services. The share price at the grant date was $0.023 per share, resulting in consideration for consulting services of $82,800.

On 29 October 2014, the Company issued 1,500,000 ordinary shares as commitment shares as consideration for consulting services. The share price at the grant date was $0.03 per share, resulting in consideration for consulting services of $45,000.

On 4 February 2015, the Company issued 3,400,000 ordinary shares as consideration for consulting services. The share price at the grant date was $0.02 per share, resulting in consideration for consulting services of $68,000.

On 25 March 2015, the Company issued 5,000,000 ordinary shares as consideration for consulting services. The share price at the grant date was $0.016 per share, resulting in consideration for consulting services of $80,000.

On 14 May 2015, the Company issued 3,000,000 ordinary shares as consideration for consulting services. The share price at the grant date was $0.013 per share, resulting in consideration for consulting services of $39,000.

On 15 May 2015, the Company issued 6,600,000 ordinary shares as consideration for consulting services. The share price at the grant date was $0.012 per share, resulting in consideration for consulting services of $79,200.

On 21 July 2014 and on 7 October 2014 the Company issued a total of 1,417,070 ordinary shares as commitment shares in relation to convertible notes, resulting in finance costs of $24,091.

The following share based payment arrangements exist at 30 June 2014.

Options granted

The terms and conditions related to the grant of share options to bondholders are as follows; all options are to be settled by the physical delivery of the shares.

Grant date/ persons entitled	Number of options	Vesting conditions	Contractual life of option
Options granted to bondholders	90,000,000	Nil	3 years

On 22 November 2013

All share options granted to bondholders, confer a right of one ordinary share for every option held.

Ordinary shares granted

On 10 September 2013, the Company issued 24,000,000 ordinary shares as consideration for consulting services. The share price at the grant date was 0.7 cents per share, resulting in consideration for consulting services of $168,000.

On 10 December 2013, the Company issued 4,500,000 ordinary shares to Paul Stephenson in lieu of non-executive director fees. The share price at the grant date was 0.006 cents per share, resulting in non-executive directors fees of $27,000.

On 9 June 2014, the Company issued 1,500,000 ordinary shares as consideration for consulting services. The share price at the grant date was 3.4 cents per share, resulting in consideration for consulting services of $51,000.

On 9 June 2014, the Company issued 1,000,000 ordinary shares as commitment shares in relation to convertible notes. The share price at the grant date was 3.4 cents per share, resulting in finance costs of $34,000.

Measurement of fair values - Options

The fair value of the share based payments relating to options were measured based on the Black-Scholes formula. Expected volatility is estimated by considering historical volatility of the Company's share price over the period commensurate with the expected term.

Equity settled share based payment (options) relating to acquisition of EL7301

The inputs used in the measurement of the fair values at grant date of the equity settled share based payment was as follows:

	2015	**2014**
Fair value at grant date	$0.01483	-
Share price at grant date	$0.023	-
Exercise price	$0.12	-
Expected volatility (weighted average)	150%	-
Expected life (weighted average)	3 years	-
Risk-free interest rate	2.84%	-

Equity settled share based payment (options) relating to finance costs

The inputs used in the measurement of the fair values at grant date of the equity settled share based payment was as follows:

	2015	**2014**
Fair value at grant date	-	$0.00452
Share price at grant date	-	$0.011
Exercise price	-	$0.03
Expected volatility (weighted average)	-	117%
Expected life (weighted average)	-	3 years
Risk-free interest rate	-	3.10%

Expense recognised in profit or loss

	Consolidated Entity	
	2015 $	2014 $
Equity settled share based payment transactions		
Non-executive directors fees – ordinary shares granted (note 22)	110,000	27,000
Consulting fees – ordinary shares granted (note 22)	540,500	219,000
Consulting fees – ordinary shares granted to employees of related entity Australian Gemstone Mining Pty Ltd (note 22)	42,000	-
Finance costs – share options granted (note 22)	-	406,800
Finance costs – ordinary shares granted (note 22)	24,091	34,000
Total expense recognised for equity settled share based payments	716,591	686,800

Reconciliation of outstanding share options

	2015 Number of options	2015 Weighted Average Exercise price	2014 Number of options	2014 Weighted average exercise price
Outstanding at the beginning of the year	104,200,000	0.03	19,200,000	0.10
Granted	30,000,000	0.12	90,000,000	0.03
Forfeited	-	-	-	-
Exercised	-	-	-	-
Expired	(350,000)	0.20	(5,000,000)	0.25
Outstanding at year-end	133,850,000	0.05	104,200,000	0.03
Exercisable at year-end	133,850,000	0.05	104,200,000	0.03

The options outstanding at 30 June 2015 have an exercise price in the range of $0.03 to $0.30 (2014: $0.03 to $0.30) and a weighted average contractual life of 1.5 years (2014: 2.3 years).

There were no options exercised during the year ended 30 June 2015 (2014: Nil).

Note 27: Related parties disclosures

Identity of related parties

The consolidated entity has related party relationships with its subsidiaries, its key management personnel, and companies related due to common directorships, Pnina Feldman and Sholom Feldman, being directors of both the Queensland Bauxite Limited and the director related companies.

<u>Related party transactions with Australian Gemstone Mining Pty Limited</u>

The Company and Australian Gemstone Mining Pty Limited (AGMPL) are parties to a management services agreement (Management Services Agreement) dated 1 July 2007, for the provision by AGMPL of executive and corporate services, including geological and technical expertise, to the Company by the following executives:

- Pnina Feldman – Executive Director, Business Development;
- Dr Robert Coenraads – Principle Geologist, Exploration and Mining; and
- Sholom Feldman – Chief Executive Officer and Company Secretary.

In respect of each of these executives (Key Management Personnel), AGMPL was paid a retainer for the period ended 30 June 2015. The Company was also reimbursed for all reasonable expenses incurred by or on behalf of the Key Persons.

- AGMPL is a company owned and controlled by Pnina Feldman.

Each of Pnina Feldman, Robert Coenraads and Sholom Feldman has entered into an executive services agreement with AGMPL. Each of these executive services agreements contains standard provisions dealing with employment obligations and standard covenants dealing with general duties and the protection of AGMPL's interests and mirrors the Management Services Agreement in respect of termination provisions.

AGMPL also provided suitable fully serviced offices to the Company at its Bondi offices at 67 Penkivil St, which includes use of office space, the board room, kitchen, daily cleaning, and essential office infrastructure, including telephones, fax, printer, broadband internet connections and suitable office furniture.

AGMPL also provided additional administrative services to the Company, such as secretarial, accounting and office management services. These services were provided to the Company by AGMPL on reasonable arm's length terms as approved by the independent director(s).

AGMPL services	2015 $	2014 $
Rent	84,000	60,000
Management and secretarial	126,000	72,000
Geologist fees	270,000	106,416
Executive and corporate services	264,000	216,000
Reimbursement of expenses	94,567	23,831
Total	838,567	478,247

Amounts owed to AGMPL included in trade payables as at 30 June 2015 is $NIL (2014:$ 12,260).

Other transactions with related parties

Loans advanced to director related companies	2015 $	2014 $
Volcan Australia Corporation Pty Ltd	(1,200,000)	(1,200,000)
Impairment recognised as at 30 June 2015	(1,200,000)	(1,200,000)
Due for repayment on 14 December 2012		
Volcan Australia Corporation Pty Ltd	72,416	70,532
Impairment recognised as at 30 June 2015	(72,416)	(70,532)
No due date for repayment.		
Joytell Pty Ltd	-	1,360
No due date for repayment		
Australian Iron Ore Pty Ltd	1,292	1,292
No due date for repayment.		

The above loans are unsecured and interest free. See note 15 for explanation of Loan to Volcan Australia Corporation Pty Ltd.

Note 28: Financial instruments

a. Financial risk management

The Group's financial instruments consist mainly of deposits with banks, trade and other receivables and trade and other payables.

The main risk the Group is exposed to through its financial instruments is interest rate risk.

Interest rate risk

The Group's exposure to interest rate risk, which is the risk that a financial instruments value will fluctuate as a result in changes in market interest rates and the effective weighted average interest rates on those financial assets and financial liabilities refer Note 28(b).

Foreign currency risk

The Group was not exposed to fluctuations in foreign currencies during the reporting period.

Credit risk

Neither the Group or the Company have any material credit or other risk exposure to any single receivable or group of receivables or payables under financial instruments entered into by the Group.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group manages liquidity risk by monitoring forecast cash flows and ensuring that adequate cash reserves or unutilised borrowings are maintained.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments:

30 June 2015	Contractual cash flows						
	Carrying amount $	Total $	2 months or less $	2 to 12 months $	1-2 Years $	2 to 5 years $	More than 5 years $
Non derivative financial liabilities							
Convertible notes	-	-	-	-	-	-	-

30 June 2014	Contractual cash flows						
	Carrying amount $	Total $	2 months or less $	2 to 12 months $	1-2 Years $	2 to 5 years $	More than 5 years $
Non derivative financial liabilities							
Convertible notes	69,506	(69,506)	(69,506)	-	-	-	-

Price risk

The Group's anticipated value of the South Johnstone Bauxite project is affected by the price of bauxite. Any rise or fall of the price of bauxite may affect the project's value accordingly.

b. Financial Instrument composition and maturity analysis

The tables below reflect the contractual settlement terms for financial instruments of a fixed period of maturity, as well as management's expectations of the settlement period for all other financial instruments.

	Weighted average effective interest rate		Floating interest rate		Within one year		1 to 5 years		Non-interest bearing		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	**2015**	2014	**2015**	2014
Consolidated Entity	%	%	$	$	$	$	$	$	$	$	$	$
Financial assets:												
Cash and cash equivalents	3.4%	3.6%	6,103,205	4,110,529	-	-	-	-	100	100	6,103,305	4,110,629
Trade and other receivables	-	-	-	-	-	-	-	-	145,940	65,346	145,940	65,346
Other non-current assets	-	-	-	-	-	-	-	-	16,792	1,292	16,792	1,292
Financial liabilities:												
Trade and other payables	-	-	-	-	-	-	-	-	303,382	295,195	303,382	295,195
Other financial liabilities	-	-	-	-	-	-	-	-	-	69,506	-	69,506

c. Fair values vs carrying amounts

The fair values of financial assets and liabilities, together with carrying amounts shown on the statement of financial position, are as follows:

	2015 Total Carrying Amount $	2015 Fair Value $	2014 Total Carrying Amount $	2014 Fair Value $
Financial Assets				
Cash and cash equivalents	6,103,305	6,103,305	4,110,629	4,110,629
Trade and other receivables	145,940	145,940	65,346	65,346
Other financial assets	16,792	16,792	1,292	1,292
Financial Liabilities				
Trade and other payables	303,382	303,382	295,195	295,195
Other financial liabilities	-	-	69,506	69,506

Note 29: Parent entity disclosures

As at and throughout the financial year ending 30 June 2015, the parent entity of the Group was Queensland Bauxite Limited.

	2015 $	2014 $
Financial Position of parent entity at year end		
Assets		
Current assets	6,249,245	4,175,975
Non-current assets	1,444,430	735,982
Total assets	7,693,675	4,911,957
Liabilities		
Current liabilities	340,072	401,417
Non-current liabilities	-	-
Total liabilities	340,072	401,417
Total equity of the parent entity comprising of:		
Issued capital	19,134,223	15,549,138
Share based payment reserve	4,961,241	2,816,550
Accumulated losses	(16,741,861)	(13,855,148)
Total equity	7,353,603	4,510,540
Financial Performance		
Loss for the year	(2,886,713)	(2,563,909)
Other comprehensive income	-	-
Total comprehensive income for the year	(2,886,713)	(2,563,909)

Note 30: Company details

The registered office of the Company and principal place of business is:

Queensland Bauxite Limited
67 Penkivil Street
Bondi, NSW 2026

Note 31: Segment information

OPERATING SEGMENTS

a. **Basis for segmentation**

The Group has two reportable segments; mining exploration and evaluation, and corporate. The corporate segment includes all of our initiatives in corporate growth activities and provides administrative, technical and financial support.

b. **Information about reportable segments**

Information related to each reportable segment is set out below.

	Mining Exploration and Evaluation	Corporate	Total
2015			
Segment revenues	-	-	-
Less: Intersegment revenues	-	-	-
Revenues	-	-	-
Interest income	-	171,152	171,152
R & D tax rebate	-	53,586	53,586
Depreciation	(4,900)	-	(4,900)
Impairment of exploration assets	(672,140)	-	(672,140)
Impairment of receivables	-	(1,884)	(1,884)
Finance costs	-	(24,091)	(24,091)
Other costs	(220,344)	(1,708,346)	(1,928,690)
Loss before tax	(897,384)	(1,509,583)	(2,406,967)
Income tax expense	-	-	-
Loss after tax	(897,384)	(1,509,583)	(2,406,967)
Capital expenditures	503,618	-	503,618
Total assets	2,045,464	6,266,037	8,311,501
Total liabilities	-	(303,382)	(303,382)

	Mining Exploration and Evaluation	Corporate	Total
2014			
Segment revenues	-	-	-
Less: intersegment revenues	-	-	-
Revenues	-	-	-
Interest income	-	167,064	167,064
R & D tax rebate	-	-	-
Depreciation	(11,100)	-	(11,100)
Impairment of exploration assets	(89,890)	-	(89,890)
Impairment of receivables	-	(22,650)	(22,650)
Finance costs	-	(586,213)	(586,213)
Other costs	(134,715)	(1,722,122)	(1,856,837)
			-
Loss before tax	(235,705)	(2,163,921)	(2,399,626)
Income tax expense	-	-	-
Loss after tax	(235,705)	(2,163,921)	(2,399,626)
Capital expenditures	37,661	-	37,661
Total assets	860,844	4,177,267	5,038,111
Total liabilities	-	(364,701)	(364,701)

Note 32: Events subsequent to balance date

On 14 August 2015, the Company signed a Financing Agreement for a $2M USD ($2.88M AUD) Facility with New York investment firm Magna, for QBL projected Development Capital and Operating Costs on the flagship bauxite project at South Johnstone of which $500,000 USD ($720,000 AUD) immediately available, a further $1,500,000 USD ($2.16M AUD) available after grant of the Mineral Development License (MDL).

There has not arisen in the interval between the end of the financial year and the date of this report any further item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the company, to affect significantly the operations of the company, the results of those operations, or the state of affairs of the company, in future financial years.

Directors' Declaration

In the directors' opinion:

1. the financial statements and accompanying notes set out on pages 40 to 76, and the Remuneration Report on pages 26 to 31 of the Directors' Report, are in accordance with the *Corporations Act 2001* and:

    a) comply with Accounting Standards and the *Corporations Regulations 2001;* and

    b) give a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the financial year ended on that date;

2. the financial statements and notes also comply with International Financial Reporting Standards, as disclosed in Note 2(a) to the financial statements;

3. there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable;

The directors have been given the declarations by the chief executive officer and chief financial officer required by Section 295A of the Corporations Act 2001.

Signed in accordance with a resolution of the Directors. On behalf of the directors:

Pnina Feldman

Pnina Feldman, Chairperson
Dated this 30th day of September 2015
Bondi NSW

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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF QUEENSLAND BAUXITE LIMITED

Report on the Financial Report

We have audited the accompanying financial report of Queensland Bauxite Limited, which comprises the statement of financial position as at 30 June 2015, the statement of profit or loss and comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration of the Company and the consolidated entity (the Group), comprising the Company and the entities it controlled at the year's end or from time to time during the financial year.

Directors' Responsibility for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error. In note 2, the directors also state, in accordance with Accounting Standard AASB 101 *Presentation of Financial Statements,* that the financial statements comply with International Financial Reporting Standards.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial report that gives a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001* would be in the same terms if it had been given to the directors as at the time of this auditors' report.

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Opinion

In our opinion:

(a) the financial report of Queensland Bauxite Limited is in accordance with the *Corporations Act 2001*, including:

  (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the year ended on that date; and

  (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

(b) the financial statements also comply with International Financial Reporting Standards as disclosed in note 2.

Report on the Remuneration Report

We have audited the Remuneration Report included in pages 26 to 31 of the directors' report for the year ended 30 June 2015. The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001.* Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Opinion

In our opinion, the Remuneration Report of Queensland Bauxite Limited for the year ended 30 June 2015, complies with section 300A of the *Corporations Act 2001.*

Nexia Court & Co

Nexia Court & Co
Chartered Accountants

Joseph Santangelo
Partner

Sydney
30 September 2015

Additional Information – as at 16 September 2015

Additional information required by the ASX Limited Listing Rules and not disclosed elsewhere in this report is set out below:

Distribution schedule and number of holders of equity securities as at 16 September 2015

	1 – 1,000	1,001 – 5,000	5,001 – 10,000	10,001 – 100,000	100,001 and over	Total
Fully Paid Ordinary Shares (QBL)	22	23	68	597	656	1,366
Unlisted Options – 30c 31/12/15	-	-	-	-	1	1
Unlisted Options – 25c 31/12/15	-	-	-	-	1	1
Unlisted Options – 5c 31/12/15	-	-	-	-	1	1
Unlisted Options – 3c 02/07/16	-	-	-	-	1	1
Unlisted Options – 3c 31/07/16					1	1
Unlisted Options – 3c 12/11/16	-	-	-	-	1	1
Unlisted Options – 8c 16/09/17	-	-	-	-	1	1
Unlisted Options – 10c 16/09/17	-	-	-	-	1	1
Unlisted Options – 15c 16/09/17	-	-	-	-	1	1
Unlisted Options – 20c 16/09/17	-	-	-	-	1	1
Unlisted Options – 3 c 28/02/2018	-	-	-	-	1	1

The number of holders holding less than a marketable parcel of fully paid ordinary shares as at 16 September 2015 is 353.

20 largest holders of quoted equity securities as at 16 September 2015

The names of the twenty largest holders of fully paid ordinary shares (ASX code: QBL) as at 16 September 2015 are:

Rank	Name	Units	% of Units
1.	VOLCAN AUSTRALIA CORPORATION PTY LTD	126,250,000	17.11
2.	FIRST STATE PTY LIMITED	59,105,638	8.01
3.	GLENEAGLE SECURITIES (AUST) PTY LTD	17,747,826	2.41
4.	UNICORN PRAYERS PTY LTD <PRESTIGE WORLDWIDE A/C>	16,642,237	2.26
5.	SACHA INVESTMENTS PTY LTD	8,500,000	1.15
6.	MISS ZHAOQING DAI	8,138,714	1.10
7.	MRS JACQUELINE MARTIN	8,000,000	1.08
8.	MR ANDREW GORDON MCCREA	7,500,000	1.02
9.	CAPITA TRUSTEES LIMITED <BAM 2006 PP RE PEGUM A/C>	7,141,127	0.97
10.	LBT CORP PTY LTD	7,030,000	0.95
11.	CONSULT4NTS PTY LTD	6,600,000	0.89
12.	MS YIFAN XIE	6,500,000	0.88
13.	J P MORGAN NOMINEES AUSTRALIA LIMITED	6,144,697	0.83
14.	RENLYN BELL INVESTMENTS PTY LTD <G & R BONACCORSO FAMILY A/C>	6,060,000	0.82
15.	HAMPSHIRE AUTOMOTIVE CENTRE PTY LTD	6,010,224	0.81
16.	MR GARY JOHN SPELTA + MRS NARELLE SPELTA	5,900,001	0.80
17.	MR IAN WILLIAMS	5,625,000	0.72
18.	MR GEOFFREY ALFRED WAKEFIELD	5,300,000	0.80
19.	MR MEYER GUTNICK	5,000,000	0.68
20.	JACOBSON HOLDINGS PROPRIETARY LIMITED	5,000,000	0.68
Totals: Top 20 holders of ORDINARY FULLY PAID SHARES (TOTAL)		**324,195,464**	**43.97**
Total Remaining Holders Balance		**413,713,172**	**56.03**

Stock Exchange Listing – Listing has been granted for all ordinary fully paid shares of the Company on issue on ASX Limited.

Substantial shareholders

Substantial shareholders in Queensland Bauxite Limited and the number of equity securities over which the substantial shareholder has a relevant interest as disclosed in substantial holding notices given to the Company are listed below:

	No. Shares Held	% of Issued Capital
VOLCAN AUSTRALIA CORPORATION PTY LTD	126,250,000	17.11%
FIRST STATE PTY LIMITED	59,105,638	8.01%

Unquoted Securities

The number of unquoted securities on issue as at 16 September 2015:

Unquoted Securities	Number on Issue	Exercise Price	Expiry Date
Unquoted Options	65,000,000	5c	31/12/15
Unquoted Options	350,000	30c	31/12/15
Unquoted Options	1,000,000	25c	31/12/15
Unquoted Options	12,500,000	3c	02/07/16
Unquoted Options	63,648,825	10 c	31/07/16
Unquoted Options	90,000,000	3c	12/11/16
Unquoted Options	10,000,000	8c	16/09/17
Unquoted Options	10,000,000	10c	16/09/17
Unquoted Options	5,000,000	15c	16/09/17
Unquoted Options	5,000,000	20c	16/09/17
Unquoted Options	10,000,000	3 c	28/02/18
Unquoted Options	2,846,046	6 c	30/08/18

Names of persons holding more than 20% of a given class of unquoted securities (other than employee options) as at 16 September 2015

Security	Name	Number of Securities
Unlisted Options 5c 31/12/15	Volcan Australia Corporation Pty Ltd	65,000,000
Unlisted Options 10c 31/07/2016	Volcan Australia Corporation Pty Ltd	13,125,000
Unlisted Options – 3c 12/11/16	Gleneagle Securities (Aust) Pty Ltd	90,000,000
Unlisted Options – 3c 02/07/16	Gleneagle Securities (Aust) Pty Ltd	12,500,000

Restricted Securities as at 16 September 2015

There are no restricted shares or options.

Voting Rights

All fully paid ordinary shares carry one vote per ordinary share without restriction. Unlisted options have no voting rights.

Schedule of Mineral Tenements as at 16 September 2015

Project Name	Project number	Status	Interest Held %	Expiry date
Pilbara Gold Project				
Pilbara	E47/1153	Granted	100%	02/08/2016
Eastern Australia Bauxite Projects				
Nullumana	EL7301	Granted	50%	23/02/2016
South Johnstone	EPM18463	Granted	100%	25/05/2016