

23rd March 2017

INITIAL APPROVAL TO ALLOW HEMP FOOD CONSUMPTION IN AUSTRALIA

The Board of Queensland Bauxite Limited (ASX: QBL) is pleased to announce that the Board of Food Standards of Australia and New Zealand (FSANZ) has now approved a change to the Australian Food Code to allow the consumption of hemp seed foods in Australia.

This new development has major commercial significance for QBL as was detailed on Tuesday 21st March in the following announcement:

<http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01840774>

As a result of this major development, MCL is set to be of the leading Australian companies involved in providing quality controlled Australian grown hemp foods. It can achieve this because of its unique Australian based hemp seed bank developed over many years which it will then distribute to other farmers on a profitable contract basis. With MCL's currently approved licences to grow hemp as recently announced, Vitahemp Pty Ltd ("Vitahemp") is perfectly positioned to be at the forefront of Australian made hemp seed food products and broader Cannabis industries.

Vitahemp is a subsidiary of Medical Cannabis Limited ("MCL"). Vitahemp will now allocate resources and investment to grow and produce its own legal hemp seed foods, to an approved food code with relevant oversight with enforceable food handling laws to the highest Australian standards which is recognised world wide.

Andrew Kavasilas, Vitahemp's founder and MCL's Technical Director said: "This is perfect for us, a development we have been waiting for since 2009. No Australian company has been legally approved to sell hemp seed food products to Australian consumers until now."

While the public has become used to seeing various hemp seed food products available in health food shops and other supermarket shelves, the fact is, they are imported and labelled 'Not for human consumption' in Australia. Concerns have been raised for many years about the situation, especially as there have been no requirements by importing companies, in relation to health standards, handling, packaging or truth in labelling.

This recent step taken by FSANZ, and when approved by the Forum of Food Regulations ('the Forum', 'FoFR') means that Australian consumers can feel a little more confident about the high quality expected from this very nutritional food, while farmers can now plan and prepare to incorporate this new lucrative crop into their agricultural regimes.

Forum membership is made up of lead ministers (usually health ministers) from Australian state and territory governments and the Australian and New Zealand governments. Other ministers from related portfolios may participate.

The Forum is chaired by the Assistant Minister for Health.

The Forum can ask FSANZ to review its decision to approve a standard or variation to a standard. Once FSANZ has notified the Forum of an approval, the Forum has 60 days to advise FSANZ whether it is required to review its decision.

For more information please see the following:

<http://www.foodstandards.gov.au/code/proposals/Documents/P1042%20Low%20THC%20hemp%20as%20a%20food%20AppR.pdf>

Vitahemp began the process to establish 'Trade Standards' in relation to hemp seed foods in 2015. Andrew Kavasilas said: "We attempted to address this issue seriously back in 2015 during negotiations with NSW Department of Trade and Investment and Southern Cross University (SCU). The initiative was placed in abeyance due to its current status and illegality for human consumption of hemp seed foods at the time.

If FoFR consents to the FSANZ approval, this will give us time to fast track our winter cropping plans and expand to incorporate contract farmers with buy-back options for Vitahemp to build its seed stock and be the first major player in this exciting and nutritional new industry."

Pnina Feldman, Executive Chairperson of QBL, said: "We aim to strengthen the entire industry by supporting a National Alliance that will give greater security to permitted farmers, producers, manufacturers, and consumers alike. This will ensure that world class Trade Standards are set, met and enforced in relation to Australian grown hemp seed."



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About Queensland Bauxite

Queensland Bauxite Ltd is an Australian listed company focused on the exploration and development of its bauxite tenements in Queensland and New South Wales. The Company's lead project is the South Johnstone Bauxite Deposit in northern Queensland which has rail running through the project area and is approximately 15-24 kilometres from the nearest deep water port. The Company intends to become a bauxite producer with a focus on commencing production at South Johnstone as early as possible. The Company also pursues additional investment opportunities, and has entered into an agreement to acquire 55% of Medical Cannabis Limited, an Australian leader in the hemp and Cannabis industries.