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MCL secures access to Medical Cannabis import license

The Board of Queensland Bauxite Limited (QBL) is delighted to announce that its subsidiary, Medical Cannabis Limited (MCL) has entered into a binding MOU with Burleigh Heads Cannabis Pty Ltd (BHC). BHC has a medical cannabis import license approved by the Office of Drug Control (ODC), and has Government approved secure storage facilities for medical cannabis products. The MOU outlines the terms where BHC will provide the import and storage services for MCL's international medical cannabis products.

This deal provides MCL with immediate access to the required Australian licenses and secured storage facilities that are required to import its Canntab medical cannabis pharmaceutical extended release pills from Canada. For more information on the significance of the unique Canntab product, please see the following ASX announcement previously released by the company:

<https://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01939872>

This is a further deal in line with the strategy of MCL to create mutually beneficial strategic alliances in the growing medical cannabis industry in Australia and globally to streamline and maximise value for all involved.

Highlights

- Obtaining import and storage abilities is a significant milestone for MCL to market its international medical cannabis product suite
- MCL remains on target to commence distribution of the Canntab pill in 2H 2018
- The initial import of the Canntab product to Australia from Canada will be arranged by BHC free of charge to MCL, with the intention to negotiate in good faith a potentially larger strategic alliance between the companies.

Background

BHC is an importer and distributor of medical cannabis pharmaceuticals, with the ability to import and store medical cannabis products via its storage facility approved by the Federal Office of Drug Control (ODC) and QLD Government. MCL has distribution rights for medical cannabis products for the Australian region, including the Canntab suite of products, which are exported from Canada by Canntab Therapeutics Ltd (a company incorporated under the laws of the Province of Ontario). The MOU announced today outlines the terms for BHC to import and store medical cannabis products on behalf of MCL.

Comment from Pnina Feldman, Chairperson of QBL

"MCL's partnership with BHC represents a significant milestone in value creation as the Canntab product moves ever closer to be market ready. We are pleased that MCL is continuing to achieve its goals in a timely and effective manner. The company remains on track for first revenues from the Canntab product to be generated in the second half of the year."



Pnina Feldman
Executive Chairperson,
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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 acquired a 55% shareholding in Medical Cannabis Limited, an Australian leader in the hemp and Cannabis industries.