

ASX Announcement

ASX: QBL

10th September 2014

Progress Report on South Johnstone Bauxite Project

The directors of Queensland Bauxite Limited (ASX: QBL) ("the Company") are delighted to provide a Progress Report on activities at the South Johnstone Bauxite project ("the Project", or "South Johnstone") in Queensland.

The Scoping Study is proceeding well to assess the potential economic viability of the development of a bauxite mining operation at South Johnstone.

This study is being undertaken by an independent consultant and will produce capital and operating cost estimates for the major facets of the South Johnstone project. Site visits have taken place which included discussions with relevant landowners, ports, councils and other authorities, and to date they have all been favourable towards the development of the project.

The Study is also looking into mining the defined higher grade bauxite resources of the Project that could facilitate a fast track DSO mining operation.

The Company considers that South Johnstone represents a significant new bauxite discovery in Australia over the past decade.

The Company intends to use the results of the Scoping Study to further progress evaluation and development of the Project. This includes the drilling program to upgrade the Inferred Mineral Resource, along with additional evaluation work, to establish an Indicated Mineral Resource.

The Scoping Study is anticipated to be completed in September/October 2014. The economic assessment of the project will be made available to shareholders on completion.

Based on a positive economic outcome, the Board of Queensland Bauxite will look to permitting to fast track the project into production. The Company expects that the Scoping Study and financial analysis will provide a compelling business case and that the project will then proceed quickly to maximise the Project's advantages.

Queensland Bauxite Executive Chairperson Ms Pnina Feldman said: “The Scoping Study is likely to demonstrate a low capital cost and operating cost bauxite project. Based on its location and bauxite at surface, the Project may rank as potentially one of the lowest cost bauxite projects with a near term production profile in Australia.”

“The Project could be the next bauxite deposit developed in Australia and enjoys existing infrastructure and access to a port to nearby export markets. The Project has an enviable distance to a deep water port with capacity available.”

“There is likely to be a window open for bauxite projects that can move into production in fast time to offer an alternative to Indonesian feedstock and Queensland Bauxite aims to fill part of that void,” Ms Feldman said.

Drilling

Drilling has recommenced at South Johnstone and seeks to upgrade the Inferred Resource inventory. Results will be released when at hand.

Offtake

The completion of the Scoping Study will further strengthen the Company’s position in the discussions with potential off-take partners in accordance with the Company’s fast track development strategy.

In conclusion, the Company looks forward to an upgrading of the South Johnstone Bauxite Resource to Indicated over the coming weeks, and the completion of the Independent Expert’s report and scoping study.

In the opinion of the Directors, this would provide the Company with the ability to announce an accurate production target, based on the simplicity of the surface mining and the anticipated viability of the unique ease of established infrastructure and proximity to deepwater port.



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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 15-20 kilometres from the nearest deep water port. The Company intends to become a bauxite producer with a focus on commencing production at South Johnstone as early as possible.

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