

30<sup>th</sup> October 2014

Sandra Wutete  
Senior Adviser, Listings Compliance (Perth)  
via email

Dear Sandra,

I refer to your letter dated 29 October 2014 noting the change in the price of our securities and requesting a response to 4 questions, and we respond as follows:

- 1) Yes, and this announcement relating to the results of the independent scoping study has been released to the market announcements office this morning. However we believe the cause of the recent increased trading is in fact as a result of other factors as detailed below in response to question 3.
- 2) a) No.  
b) Yes, and the results of the independent scoping study has already been released to the market this morning.
- 3) I believe that the recent increased trading in our securities is as a result of the anticipation of the scoping study results being announced today as was previously advised. We had on the 10<sup>th</sup> September informed the market that we expect the scoping study results to be released in October. In that update we stated the following: "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". In our most recent update announcement on the 3<sup>rd</sup> October we further informed the market that we expect the scoping study to

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be released in the coming weeks. Many shareholders called the company over recent days asking if the scoping study results are still to be released in October as previously advised to the market. We confirmed that the results of the study will still be released in October. As per all of our recent releases to the market since June, we continue to endorse and stand by our previous statements of our belief in the enormous potential that our bauxite projects contain. Having these statements independently confirmed in a detailed scoping study is a significant milestone for the company. Although the results were not yet released until today, many of our shareholders who have read the technical aspects of the project and believe in its potential would have been expecting a positive result from the independent detailed scoping study. It is therefore unsurprising that leading up to the release of the independent scoping study that there would be many in the market who would believe that the company at these levels is extremely undervalued, and owning shares in our company at these levels is a unique opportunity. This would naturally cause greater buying interest and a natural increase in the share price.

- 4) I confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

Yours sincerely,



Sholom D Feldman  
Company Secretary



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29 October 2014

Mr Sholom Feldman  
Company Secretary  
Queensland Bauxite Limited  
67 Penkivil Street  
BONDI NSW 2026

By email

Dear Sholom,

**Queensland Bauxite Limited (the "Entity"): ASX price query**

We have noted a change in the price of the Entity's securities from a close of \$0.022 on Friday, 24 October 2014 to a close of \$0.03 today, Wednesday 29 October 2014. We have also noted an increase in the volume of trading in the Entity's securities over this period.

In light of the price change and increase in volume, ASX asks you to respond separately to each of the following questions:

1. Is the Entity aware of any information concerning it that has not been announced to the market which, if known by some in the market, could explain the recent trading in its securities?
2. If the answer to question 1 is "yes":
  - a) Is the Entity relying on Listing Rule 3.1A not to announce that information under Listing Rule 3.1?

Please note that the recent trading in the Entity's securities would suggest to ASX that such information may have ceased to be confidential and therefore the Entity may no longer be able to rely on Listing Rule 3.1A. Accordingly, if the answer to this question is "yes", you need to contact us immediately to discuss the situation.
  - b) Can an announcement be made immediately?

Please note, if the answer to this question is "no", you need to contact us immediately to discuss requesting a trading halt (see below).
  - c) If an announcement cannot be made immediately, why not and when is it expected that an announcement will be made?
3. If the answer to question 1 is "no", is there any other explanation that the Entity may have for the recent trading in its securities?
4. Please confirm that the Entity is in compliance with the Listing Rules and, in particular, Listing Rule 3.1.

**When and where to send your response**

This request is made under, and in accordance with, Listing Rule 18.7. Your response is required as soon as reasonably possible and, in any event, by not later half an hour before the start of trading (i.e. before 9.30 a.m.

AEST) on Thursday, 30 October 2014. If we do not have your response by then, ASX will have no choice but to consider suspending trading in the Entity's securities under Listing Rule 17.3.

You should note that if the information requested by this letter is information required to be given to ASX under Listing Rule 3.1 and it does not fall within the exceptions mentioned in Listing Rule 3.1A, the Entity's obligation is to disclose the information "immediately". This may require the information to be disclosed before the deadline set out in the previous paragraph.

ASX reserves the right to release a copy of this letter and your response on the ASX Market Announcements Platform under Listing Rule 18.7A. Accordingly, your response should be in a form suitable for release to the market.

Your response should be sent to me by e-mail at Sandra.Wutete@asx.com.au. It should not be sent directly to the ASX Market Announcements Office. This is to allow me to review your response to confirm that it is in a form appropriate for release to the market, before it is published on the ASX Market Announcements Platform.

### **Listing Rule 3.1**

Listing Rule 3.1 requires a listed entity to give ASX immediately any information concerning it that a reasonable person would expect to have a material effect on the price or value of the entity's securities. Exceptions to this requirement are set out in Listing Rule 3.1A.

The obligation of the Entity to disclose information under Listing Rules 3.1 and 3.1A is not confined to, nor is it necessarily satisfied by, answering the questions set out in this letter.

In responding to this letter, you should have regard to the Entity's obligations under Listing Rules 3.1 and 3.1A and also to Guidance Note 8 *Continuous Disclosure: Listing Rules 3.1 – 3.1B*.

### **Trading halt**

If you are unable to respond to this letter by the time specified above, or if the answer to question 1 is "yes" and an announcement cannot be made immediately, you should discuss with us whether it is appropriate to request a trading halt in the Entity's securities under Listing Rule 17.1.

If you wish a trading halt, you must tell us:

- the reasons for the trading halt;
- how long you want the trading halt to last;
- the event you expect to happen that will end the trading halt;
- that you are not aware of any reason why the trading halt should not be granted; and
- any other information necessary to inform the market about the trading halt, or that we ask for.

We may require the request for a trading halt to be in writing. The trading halt cannot extend past the commencement of normal trading on the second day after the day on which it is granted.

You can find further information about trading halts in Guidance Note 16 *Trading Halts & Voluntary Suspensions*.

If you have any queries or concerns about any of the above, please contact me immediately.

Yours sincerely

*[Sent electronically without signature]*

Sandra Wutete  
**Senior Adviser, Listings Compliance (Perth)**