

4<sup>th</sup> March 2016

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## QUEENSLAND BAUXITE COMPLETES ACQUISITION OF STRATEGIC STAKE IN NSW BAUXITE PROVINCE

- QBL has completed its intended acquisition of further key mineralisation in regionally strategic NSW bauxite project – with significant large scale bauxite mineralisation already identified
- In discussions with potential rail to port infrastructure
- South Johnstone project remains main focus for short term production

The Board of Queensland Bauxite Limited (ASX:QBL) (“QBL” or “the Company”) is pleased to announce that the Company has now acquired a further 31% interest in its already 50% owned bauxite tenement EL7301, which contains a large portion of a known gibbsitic bauxite province in the Nullamana region of Inverell in northern New South Wales.

This acquisition further consolidates QBL’s strategic ownership of emerging gibbsitic bauxite key areas along the Eastern Coast of Australia.

### Background to the acquisition

EL7301 was held in joint venture 50% by QBL and 50% by Plateau Bauxite Limited (PLB), a public unlisted company. Plateau Bauxite has already spent in excess of \$3 million in bauxite exploration on EL7301.

QBL has offered up to a total of 29 million shares in QBL for up to a further 31% beneficial interest in EL7301. The Company is pleased to confirm that it has received 100% acceptances for the offer and now owns an 81% interest in EL7301.

The directors believe that an increase of ownership in this valuable tenement is of good strategic value to QBL and in line with the Company’s vision of becoming a major emerging force in the bauxite market for the long term. With continuing forecasted strong demand for bauxite the Company is looking to increase its portfolio of strategic bauxite projects at the right price. This acquisition fits the criteria.

Further information on EL7301 and on the geological significance of this project can be found in the original acquisition announcement released by the Company on 11<sup>th</sup> July 2014 and can be accessed at the following link:

<http://www.asx.com.au/asx/statistics/displayAnnouncement.do?display=pdf&idsId=01533081>

## Neighbouring Tenement Owners

The Company has been in discussion with the owner of tenements in the same area as EL7301. One of these tenements has already been reported to ASX in May 2012 by Australian Bauxite Limited (ASX:ABX) as containing 38 million tonnes of bauxite<sup>1</sup>.

The combined tonnages of the tenements in the region should further add to the potential development options for the bauxite mineralisation. Critical mass is a factor in major bulk commodity developments, and the consolidation of the mineralisation in the region should further assist with any potential feasibility studies to be conducted in due course and increase the likelihood of potential involvement of major strategic partners, who have already shown interest in the area.

## Infrastructure Plans Upgrade bauxite NSW

- 1. Proposed New Rail corridor: 300 km of purpose-built railway line**
- 2. Boosts potential of QBL's NSW bauxite deposits**
- 3. Direct link to port Yamba**

Queensland Bauxite Limited has been in discussion with Mr Desmond J. T. Euen, Founder and CEO of Australian Infrastructure Developments (AID) with regard to gaining an economic transport-to-Yamba Port option for QBL's NSW bauxite deposits.

AID is an Australian company, founded to develop and commercialise Australian market driven freight infrastructure projects. AID proposes to build a national freight infrastructure network as the platform for growth and other market driven related services.

AID is taking advantage of the current shortfall in existing Australian freight infrastructure and, both current and future market requirements that are currently not being served. This is because the current Australian freight rail and port industries are fragmented, capacity poor and disparate.

The proposed AID rail to port project proposes to introduce

1. Increased reach and operational efficiencies via the use of world-class technology;
2. Strong growth in freight marketing;

The proposed Pacific West railway will provide a direct and expedient unconstrained link connecting the western inland corridor at Moree with the Great Northern Railway at Glen Innes and from there to the Port of Yamba (see map, Figure 1). QBL's NSW bauxite tenement lies close to the section of line near Inverell (see Map, Figure 2). The railway will be Australian heavy duty, double track standard gauge and allow for double stacking of containers. Track alignment will conform to a ratio of 1:100 gradient and be constructed with 1000 metre radial curves to permit high speed (115kph) operations. The system is anticipated to be able to handle one train every 3.5 minutes. Together with rail construction, the Port of Yamba will be upgraded to receive Handymax ships which will be the preferred vessel used to ship the company's product to overseas markets.

The proposed Pacific West Rail Link is anticipated to create a viable bauxite export operation from the Company's bauxite project in NSW, which is an area of extensive high grade gibbsitic bauxite with low reactive silica.

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<sup>1</sup> The following JORC compliant report was released to ASX: 08/05/2012 ASX announcement - Inverell Resource Grade Improvement – 38 million tonnes resource.

## South Johnstone Project

The Company is continuing to progress South Johnstone and is currently awaiting approval for a MDL to progress the short term development of the project, while evaluating strategic opportunities where they are considered to provide additional value to the Company and its shareholders.

With two major gibbsitic projects at hand, and particularly following the highly encouraging results and progress at South Johnstone in North Queensland, the directors believe that QBL will become a significant force in the bauxite industry.

The Company is targeting potential long-life bauxite operations that we believe will add value and be attractive to major international bauxite partners. QBL continues to build on its strong position ahead of predicted rises in bauxite prices, and as a result is currently evaluating the further expansion of its portfolio through the acquisition of further tenements.

Yours Sincerely,



Pnina Feldman  
Chairperson  
Queensland Bauxite Limited

### **Compliance statements**

*The information in this report that relates to Exploration Results, Exploration Targets and Mineral Resources is based on information compiled by Dr Robert Coenraads (BA Hons, MSc, PhD). Dr Coenraads is a fellow of the Australasian Institute of Mining and Metallurgy.*

*Dr Coenraads contracts services to QBL.*

*Dr Coenraads has sufficient experience which is relevant to the style of mineralization and type of deposit under consideration and to the activity which he is undertaking and to qualify as a Competent Person as defined in the 2012 JORC Code.*

*Dr Coenraads consents to the inclusion in the report of the matters based on their information in the form and context in which it appears.*