

22nd September 2015

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QBL Documentation Concluded For MDL Application

Queensland Bauxite Limited (ASX: QBL, or the “Company”) is pleased to report on the conclusion of the preparation of environmental and engineering documentation to accompany its application to the Queensland Department of Natural Resources and Mines for a minerals development licence (MDL) at the company’s South Johnstone Bauxite project in Northern Queensland.

Detailed drilling of 59 drill holes was completed in May/June 2015 over one section (approximately 11%) of the previously identified approximate 1.9 million tonne Indicated Resource at the South Johnstone deposit with the goal of delineating that area for the MDL application (Figures 1 & 2). The drilling was undertaken by Queensland Bauxite. The drilling successfully confirmed the assumptions made in the previously delineated Indicated Resource in depth and grade consistency. Confidence in the grade consistency is high because it is now based on a 50x50m grid of holes, the majority of which have penetrated the entire thickness of the identified resource (0.5-4.5m).

These results are being prepared together with expert independent consultants with the intention to announce a resource upgrade to JORC 2012 Measured standard. The independent consultants have requested numerous verification tests and drilling to be performed on the resource and the Company expect to be shortly in a position to announce the results once signed off by the independent consultants.

In the interim, the Company has concluded and sent to the DNRM the environmental and engineering studies to accompany the MDL application documentation and is progressing the MDLA application on the basis of the extensive data and modelling already completed by the Company.

The previously reported Indicated Resource area itself covers an area of only approximately 1% of the previously identified Exploration Target area (Figure 3), thereby giving the Company significant confidence in the future long term potential of the South Johnstone project.

At present much of the South Johnstone Exploration Target Area in the Atherton basalt held within EPM18463 is prospective for additional bauxite resources to be defined.

One of the objectives of the recently completed drilling program is to upgrade the further-drilled areas of the current Indicated Mineral Resource to Measured Mineral Resource category under the 2012 JORC Code. This category provides a higher level of confidence under the Code. A further 1175 samples over the entire Indicated Resource have been sent to the lab for analysis and it is anticipated that a progressive upgrade of the current Indicated Resource

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to Measured category will take place over the coming period.

To date, the area that was analysed first is the area over which the Company is developing the initial trial bulk sampling plan and for which the Company is applying to the Queensland Department of Natural Resources and Mines (DNRM) for a Mineral Development Licence (MDL).

Granting of the MDL will allow immediate commencement of bulk sampling, to enable the Company to begin initial shipments of bauxite to a customer refinery in order to prove the long-term economic and operational feasibility of the entire project. This initial production is scheduled to commence following the anticipated grant of the MDL.

Environmental and mining engineering studies have been finalised and are currently being reviewed by the DNRM together with the MDLA documentation.

The MDL application is an exciting milestone for the Company. It is part of our overall strategy to develop an export operation in a staged development of South Johnstone that allows for long term mining and export, prospect by prospect, at low cost. This initial pilot programme should prove the viability of this approach for the long term.

Concurrently, QBL will look to increase the JORC Indicated Resource through its ongoing regional work programs while commencing production on the first prospects. The purpose of the ongoing drilling is to continuously prove up more bauxite resources in a measured approach to generate cash flows and underpin a long mine life.

We are excited by the progress being made at South Johnstone and the MDL application is a key part of the strategy.

The main objective of the Company in developing this project is to generate positive net cash flows as quickly as possible to meet the demand for bauxite in the current cycle.

Agreement with Landowners

The Company has entered into a 12 month option agreement with the landowners over the resource area which the intended MDLA covers, to enable the Company to purchase the properties the subject of the MDLA should the Company progress to production.

Ongoing work program

The recently completed drill program was also aimed at increasing the bauxite tonnage quantity of the current Indicated Resource by determining the depth of the mineralisation within the Indicated Resource area. Additional detailed drilling will be undertaken over the now-identified extensive bauxite mineralisation throughout the tenement area (Figure 3) in order to continuously increase mine life of the South Johnstone Project. This is expected to identify additional JORC Compliant Indicated and Measured Resources to support the long-term export DSO operation. This work is ongoing.



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www.twitter.com/QLDBauxite

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.

Competent Person Statement

The information in this announcement that relates to exploration results, Exploration Targets or Mineral Resources is based on, and fairly represents, information compiled by Dr Robert Coenraads BA Hons MSc PhD. Dr Robert Coenraads is a Fellow of the Australasian Institute of Mining and Metallurgy. Dr Coenraads contracts services to Queensland Bauxite Limited. Dr Coenraads has sufficient experience, which is relevant to the style of mineralisation and type of deposit under consideration and the activity being undertaken to qualify as a Competent Person as defined in the 2012 Edition of the JORC Code. Dr Coenraads has given his consent to the inclusion in the announcement of the matters based on this information in the form and context in which it appears.

Fig 1

Date: 22/09/2015

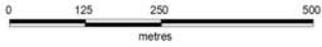
Author: Robert Coentraads

Office:

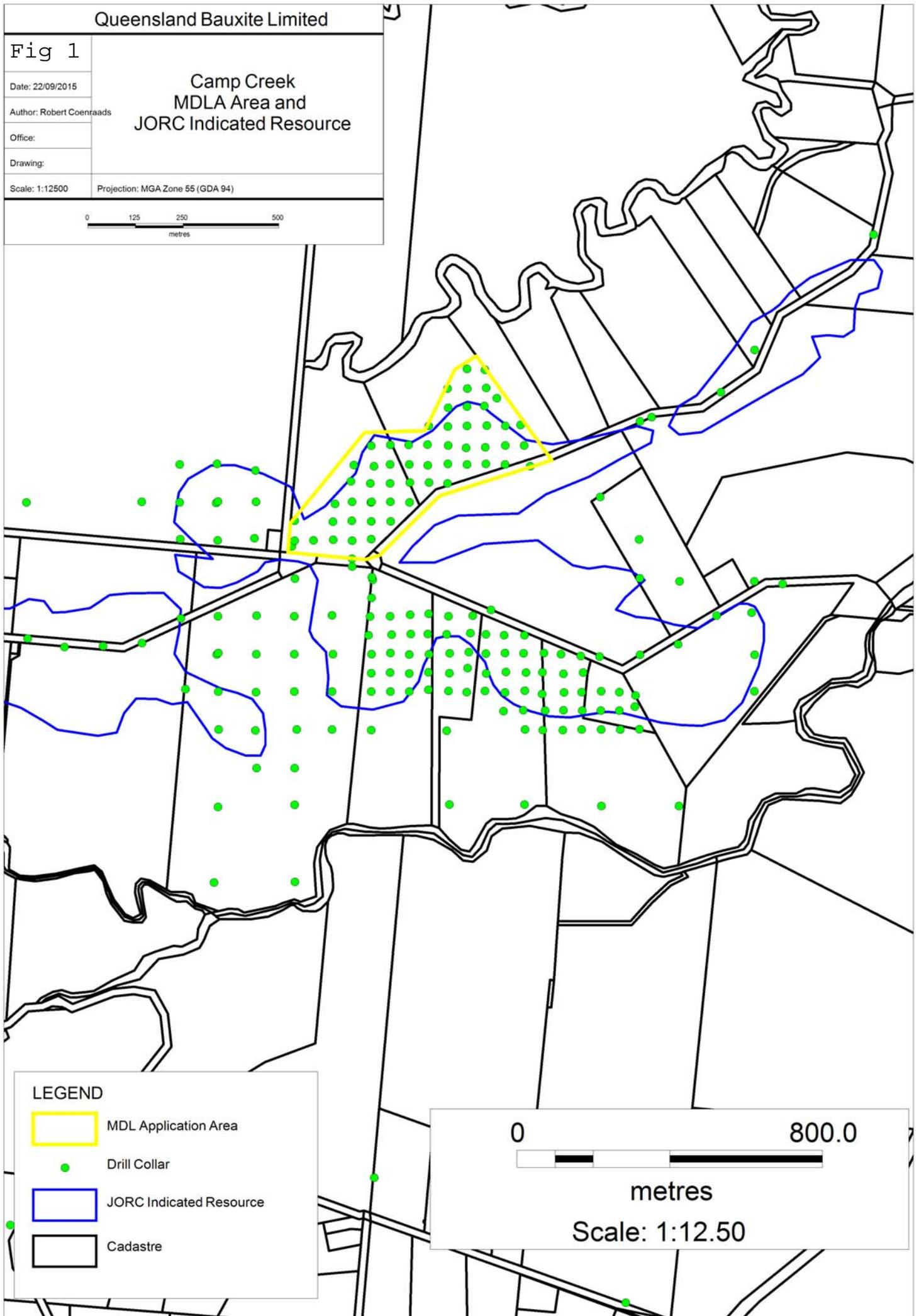
Drawing:

Scale: 1:12500

Projection: MGA Zone 55 (GDA 94)



Camp Creek
MDLA Area and
JORC Indicated Resource



LEGEND

-  MDL Application Area
-  Drill Collar
-  JORC Indicated Resource
-  Cadastre

0 800.0



metres

Scale: 1:12.50

Queensland Bauxite Limited

Fig 2

Camp Creek
MDLA Area and Drilling

Date: 22/09/2015

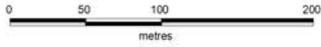
Author: Robert Coenrads

Office:

Drawing:

Scale: 1:5000

Projection: MGA Zone 55 (GDA 94)



LEGEND

- MDL Application Area
- Drill Collar
- JORC Indicated Resource
- Cadastre

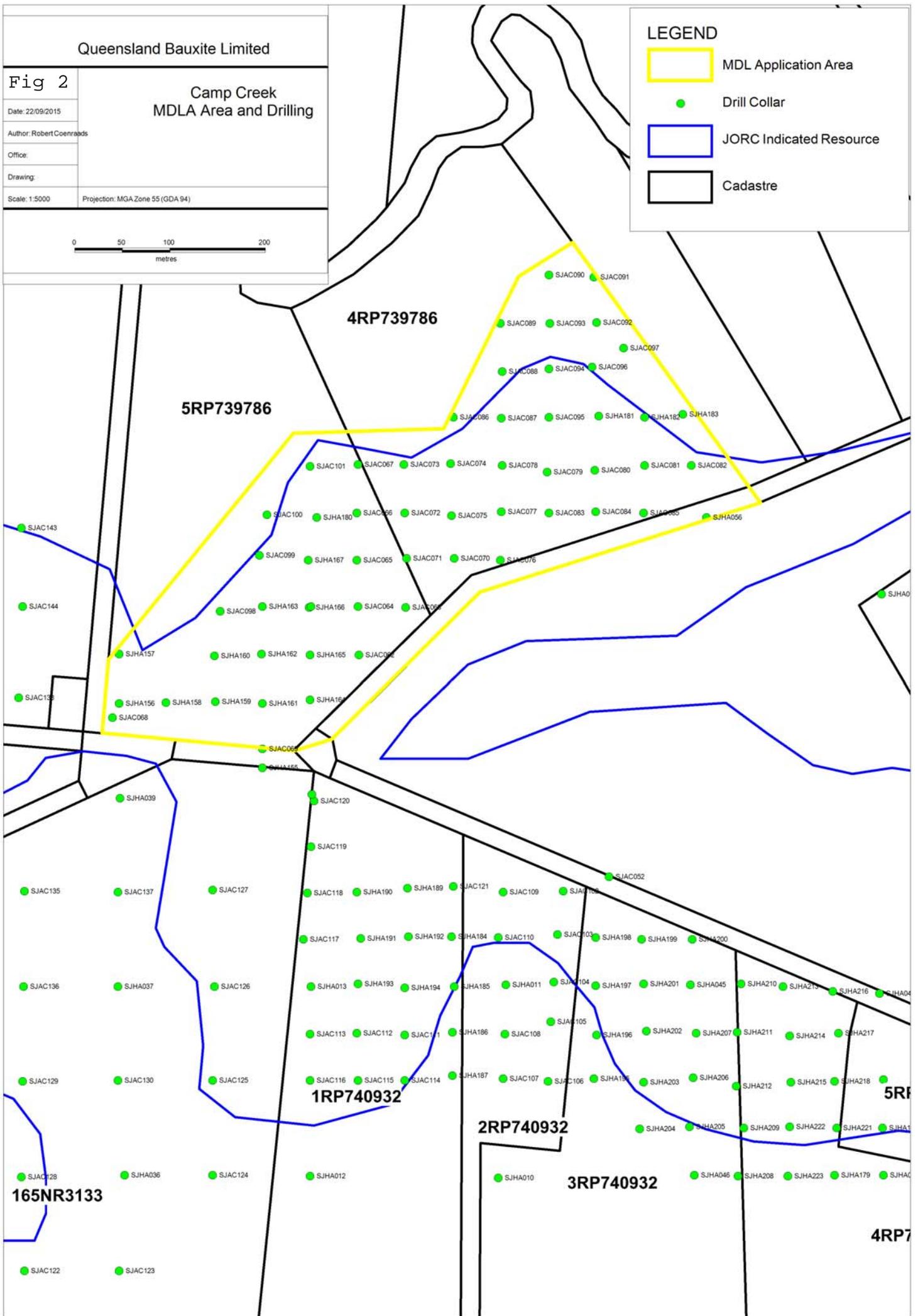


Fig 3

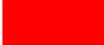
Regional Drilling and Bauxite Discoveries

Date: 10/09/2015
Author: Robert Coenraads
Office:
Drawing:

Scale: 1:125000 Projection: MGA Zone 55 (GDA 94)



LEGEND

-  Basaltic Target Area
-  Bauxite Discoveries
-  2011 Regional Drilling
-  2015 Regional Drilling
-  EPM18463
-  Road

