

16th April 2015

בס"ד

Project Update

Queensland Bauxite Limited (ASX:QBL, the “Company” or “Queensland Bauxite”) is pleased to provide an update on activities.

Drilling is continuing at the South Johnstone Bauxite Project with the objective of increasing potential mine life of the project.

Current resource drilling is aimed at further increasing the level of JORC Indicated and Inferred Resources within the Company’s previously reported significant Exploration Target area.

The Company has now acquired its own drill rig capable of rapid and efficient exploration. The bauxite at South Johnstone is located at surface with minimal to no overburden. This provides for a potential simple low operating cost mining operation. When drilling results are at hand, these will be released to the market.

Work is continuing on optimising the costs and logistics of bauxite transport from Mine-to-Port through to the Asian markets. The Company is reviewing several options that could fast track production of bauxite from South Johnstone which includes delivering an enhanced method of loading and transport of the bauxite at Mourilyan Port through to export markets.

The Company has engaged Sea Transport Commodities Pty Ltd to provide logistical support and to study in detail the loading operations and possible logistical options for the bauxite operation.

67 Penkivil St
Bondi NSW 2026
Ph +61 2 9291 9000
Fax +61 2 9291 9099
Email sfeldman@queenslandbauxite.com.au
ABN 18 124 873 507

www.queenslandbauxite.com.au

The Sea Transport Corporation group of companies evolved from a successful history of designing, owning and operating innovative commercial vessels and assisting with the relevant land based operations. Since 1976, Sea Transport Solutions and Sea Transport Logistics have provided innovative designs and solutions to the International markets. Sea Transport designs have won international awards for innovation and environmental standards.

Sea Transport Logistics has also been successfully advising mining companies globally, on the development of tailor made solutions to find the most effective and competitive logistical product export channels. This involves both the offshore and onshore project development leading ultimately to cost effective production.

Sea Transport Commodities is involved in multi-product marketing with strong connections with many global but in particular South East Asian customers.

The initial work by Sea Transport for the Company has already produced potential operational cost efficiencies.

Environmental Approvals

Environmental test work and reporting in preparation for the mining lease application is progressing to plan, and based on the work done to date our environmental consultants are confident that there are no known factors that should restrict the approvals being attained in due course. The Company is aiming for first production to begin in the second half of 2015.

Off take

As previously advised, the Company is in discussions with a number of groups for off take sales agreements of bauxite from South Johnstone.

The Company has recently hosted another trip from a major Asian commodity group to discuss a potential off take agreement.

This broadens the number of discussions and interest in potential offtake agreements for South Johnstone bauxite. Good progress is being made with potential offtake partners and while ongoing they are not yet finalised. The Company is determined in any final agreement to maximise future profit and long term shareholder value.



Pnina Feldman
Executive Chairperson

For further information, please contact:

Queensland Bauxite Ltd

Tel: +61 (0)2 9291 9000

For further information or any queries please email the Company at:

info@queenslandbauxite.com.au

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.

End