

10<sup>th</sup> August 2016

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## Update on South Johnstone Bauxite Project

Queensland Bauxite Limited (QBL) is pleased to update shareholders on the progress of the actions that have been undertaken pursuant to the recently announced recommendations of the Queensland Department of Natural Resources and Mines (DNRM) in order to achieve the grant of its Mineral Development Licence (MDL) at South Johnstone:

1. The DNRM had proposed that the first bauxite sample size needs to be a maximum of 50,000 tonnes - being the approximate tonnage that will fit onto the largest vessel that can be directly loaded in Mourilyan Harbour (a Handymax vessel). The authors of the original submitted Proposed Work Program, the engineers at Sea Transport Corporation, have been commissioned to modify the program by reducing the surface area of activities and hence tonnages within the boundaries of the proposed MDL in accordance with the request from the DNRM. It is estimated that Sea Transport's modifications to the original document will take a further 2 weeks to complete. We are in regular contact with DNRM to keep them informed of our progress and expected timeframes to complete the studies.
2. To ensure further compliance with the 1994 Environmental Protection Act, at the request of the Department of Environment and Heritage Protection, QBL has commissioned Northern Resource Consultants (NRC) to collect and analyse more information from the water, air and soil studies they have already produced on the MDL application area to enable any intended operations to be conducted on the MDL to be appropriately monitored. Mr Costello of NRC has advised QBL that his team will endeavour to have the tests and studies completed by the end of September 2016.
3. Once the MDL is granted the Company will then have the ability to conduct the above mentioned bulk sampling once the appropriate security provisions are in place as outlined in section 277 of the MRA. We have not yet been notified of the amount required to be paid as security, but we anticipate the amount to be minimal relative to the operations being planned.
4. In the meantime QBL is preparing a Mining Lease application (ML) to extract a further 170,000 tonnes of bauxite over the same area as the MDL thereby allowing the company continuity of operations in the event of an anticipated successful outcome from the original production test under the MDL. Further Mining Leases on the surrounding areas of Resource are planned to be applied for progressively in the coming period to enable continued uninterrupted long term mining on the project.



Pnina Feldman  
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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 15-24 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. 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.*