

21st March 2017

VITAHEMP'S STRATEGY TO PRODUCE HEMP SEED FOOD

The Board of Queensland Bauxite Limited (ASX: QBL) is delighted to announce the initial strategy in relation to Vitahemp Pty Ltd ("Vitahemp"). Vitahemp is controlled by Medical Cannabis Limited ("MCL" or "the Company").

Vitahemp is a company founded and headed by the Company's Technical Director, Andrew Kavasilas. Its purpose is to focus on hemp seed food products.

It is anticipated that once hemp seed food is approved in Australia, Vitahemp will produce from MCL's bulk seed stock, highly nutritious grain based food.

Mr. Kavasilas states that: "Numerous studies have found the nutritional qualities of hemp seeds to be most beneficial for human consumption.

"Vitahemp anticipates becoming involved in the development and production of the following products:

- Hulled hemp seed, hemp seed oil, hemp seed milk, muesli bars, breakfast cereals, salad dressings, pasta, protein powder, and other confectionaries.

"More information on this can be seen in the following ABC Landline segments that I have been featured in:

<http://www.abc.net.au/landline/content/2014/s4049599.htm>

<http://www.abc.net.au/landline/content/2012/s3506777.htm>

"At the moment it is illegal to sell the above products in Australia for human consumption whether locally produced or imported. Currently authorities are debating giving permission to Australia to produce its own hemp seed food. It is anticipated that these discussions will lead to a positive outcome. Should this eventuate, it will be of enormous commercial significance to Vitahemp.

"Vitahemp also aims to establish Trade Standards as has been achieved, for example, by the Australian olive oil industry. This industry developed competitive standards and consumer protection terminology, such as country of origin, virgin oil and extra virgin oil which allows for a level playing field when competing with overseas products."

Pnina Feldman, Executive Chairperson of QBL says: "Once hemp seed food will be approved in Australia, MCL is set to be one of the leading Australian companies involved in providing quality controlled Australian grown hemp foods. It can achieve this because of its unique Australian based hemp seed bank developed over many years which it will then

distribute to other farmers on a profitable contract basis. With MCL's currently approved licences to grow hemp as recently announced, Vitahemp is perfectly positioned to be at the forefront of Australian made hemp seed food products and broader Cannabis industries.

"Australia and New Zealand are the last Western nations to maintain a ban of hemp seed food whilst the re-emergence of this versatile nutritious grain has become popular around the world, especially for health conscious consumers seeking premium wholesome foods.

"In the meantime, Australia's farmers and consumers are missing out on a lucrative export commodity, a versatile crop to grow and an exceptional grain that can be eaten whole, pressed for its oil or used as a non-dairy milk substitute.

"Hemp seeds have been consumed throughout our long human history. Sir Joseph Banks was keen for Australia to be a hemp producing colony for the good of the Empire. By some glitch in history, hemp was banned by all allied nations, while most of the world never stopped using hemp in all its forms. The Company hopes that the ongoing government discussions will result in changes in the food code which should then place Vitahemp at the forefront of commercial production of hemp seed food products."

Vitahemp File Photos below:

Andrew Kavasilas with NSW DPI inspectors taking samples at a hemp trial.



Pnina Feldman
Executive Chairperson
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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. The Company also pursues additional investment opportunities, and has entered into an agreement to acquire 55% of Medical Cannabis Limited, an Australian leader in the hemp and Cannabis industries.





