

29th May 2017

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Preferential share allocation for Queensland Bauxite shareholders

As the directors of Medical Cannabis Limited (MCL) are drafting a prospectus for an independent ASX listing of MCL, the Board of MCL in conjunction with the QBL Board, have decided that the MCL Initial Public Offering (IPO) will be giving Queensland Bauxite shareholders preference to take up shares in the anticipated MCL Listing on ASX.

Preference to take up shares will be given to those shareholders in Queensland Bauxite holding shares in QBL at the time of the allocation. Preference will be given to shareholders in proportion to the number of shares being held in QBL and the length of time the shares have been held. The discretion as to any final allocation of the shares will remain with the directors of MCL. Further details will be provided to shareholders once the prospectus is finalised.

MCL director Andrew Kavasilas says "Because our company aims to be at the forefront of both Australian grown hemp seed foods as well as medical (cannabinoid) research and production, with the goal of bringing cashflow to the company in both of the above fields of endeavour, we anticipate an exciting Initial Public Offering, with sufficient funding and investment to enable the fulfilment of the Company's ambitious goals."

Pinna Feldman, Executive Chairperson of Queensland Bauxite says "The team at Queensland Bauxite are delighted with giving its shareholders the benefit of QBL's timely association with the fascinating work being undertaken by MCL, and are hopeful that QBL's investment in MCL will continue exponentially to be of benefit to QBL shareholders.

"My visit yesterday to the Hemp Health and Innovation Expo in Sydney was most enlightening and informative. Medical Cannabis Ltd and its subsidiary Vitahemp definitely caught the attention of the huge crowds, with the only indoor growing display under lights greeting everyone as they entered. Andrew Kavasilas's talks, presentations, and participation in the public Q and A session was received most positively and it was obvious to all that he was the leading expert at Australia's largest Hemp Health Expo.

"It was an exciting event organised by WHG and gave the public an opportunity to see first hand, the latest developments in the field. We will provide the market a more detailed update when all photos and videos of the event are collated.

"We believe in the vast amazing opportunities currently being offered worldwide by developments in the Cannabis and hemp industries and feel privileged through our investment to be a part of this opportunity benefitting so many people throughout the world, with so much more potential to come as new avenues are being explored worldwide and new horizons open up here in Australia."

New and exciting research into the benefits of medicinal cannabis is continually emerging, and as MCL progresses in its own research in partnership with experts in the field, announcements will be made as they become material. MCL through its experience, contacts, unique seed bank and licenses is in an excellent first mover position to take commercial advantage of these advancements as they develop.



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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.